



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

EXPRO El Salvador
Programa de Promoción de Exportaciones
para las Micro, Pequeñas y Medianas Empresas

OPERATIONS MANUAL FOR EXPRO-FOEX TECHNICAL FUND

NOTA: San Salvador 7 de Julio de 2005. Este documento es propietario únicamente de quien lo organiza. Este documento es propietario únicamente de quien lo organiza. Este documento es propietario únicamente de quien lo organiza. Este documento es propietario únicamente de quien lo organiza.

Export Promotion for Micro, Small and Medium Enterprises El Salvador (USAID/EXPRO)

Contract No.: PCE-I-00-98-00016-00 T/O 833

Project Period: July 2003 – March 2006

USAID Mission: USAID El Salvador Office of Economic Growth

Project Contractor: Nathan Associates Inc.

Project Summary: USAID/EXPRO aims to reactivate the economy of El Salvador by increasing income generated from exports of micro, small, and medium enterprises (MSMEs). Project objectives include (1) strengthening the Ministry of Economy's institutional export and trade policy capacity; (2) improving access to trade and export information; (3) increasing the competitiveness of Salvadoran businesses; (4) expanding business contracts and sales; (5) strengthening the Salvadoran export services sector; and (6) establishing strategic business alliances. Nathan Associates, in collaboration with AG International, DAI, and JE Austin, is providing technical, commercial assistance, and training to support government and private sector export promotion efforts; improving the productive capacities of MSMEs striving to access international markets; and assisting Salvadoran companies in developing and increasing export sales by at least \$20 million at project completion on March 31, 2006. USAID/EXPRO is also providing technical assistance and training to make export promotion initiatives more effective and to improve product development, operational efficiency, business development services, and the production scale of Salvadoran MSMEs so they can enter international markets, enjoy market continuity, maximize profitability, and face less risk of failure.

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Operations Manual

EXPRO-FOEX

Version 1.0

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I. Program's Background FOEX-EXPRO

According to the Ministry of Economy (MINEC) the micro, small, and medium enterprises (MSME's) in El Salvador represent the large majority of businesses in the country, contributing with the larger percentage to the Gross National Product, and generates the majority of employment among the working force. Nevertheless, the importance the MSME's represent in the Salvadoran Economy and the important reforms executed by the Government during the last years, the MSME's capacity to export goods and services is limited. In consequence, its capacity to generate economic growth and employment is seen limited.

Elements such as high transaction costs, limited information, lack of market knowledge, and exportation opportunities, lack of standards, poor infrastructure to export, and a variety of macroeconomic limitations have weakened the ability of the MSME's to compete in the global market.

If the MSME's have access to timely information, get to know the success experiences of the exporters, understand that exporting is feasible, and get to know and benefit from the available assistance; their transaction costs would seen reduced and the MSME's would become motivated to export.

The Agency for International Development of the United States of America (USAID), with the intention to respond to the MSME's needs mentioned before, is financing a project to be implemented during the period July 14 2003 to June 30 2005, named Export Promotion Program for Micro, Small and Medium Enterprises (EXPRO). This project will be implemented by Nathan Associates and includes components directed to strengthen the local efforts on exports promotion, access to market information, improvement in the MSME's competitiveness, contract generation to export abroad, strengthening of the enterprise development services, and generation of commercial alliances to develop the international commerce. The Ministry of Economy and the Promoting Foundation of Competitiveness for the Micro and Small Enterprise (CENTROMYPE) are local entities participating as counterpart of the EXPRO Project, and also other private sector support associations and foundations. One of the mechanisms to be used to reach the EXPRO objectives is the Export Development Fund (FOEX or Fund). This Fund will end on June 30, 2005, and will operate according to the stipulated in this following Operations Manual that may be modified according to the Funds needs previous counter-signature of EXPRO and FOEX.

II. Funds Public Notification

EXPRO has the obligation to publicly reveal about the Exporters Promotion Fund for the SME'S that will be jointly managed with FOEX. To comply with this requirement EXPRO will use as an alternative the tool APS (Annual Program Statement). EXPRO will publicize this APS in USAID web page as well as in the local newspapers with national coverage during the month of December 2003.

The exact contents of this APS will be agreed jointly by parties, EXPRO and FOEX. The information will be presented, in such way, that the public will easily and clearly determine the needed requirements and ways to apply to the Fund. Copy of the APS format is enclosed in Annex No. 1.

The APS publication may be repeated in March 2004, but indicating very clearly that the opportunity to apply to the fund ends on March 2005.

III. Fund Description

The Export Development Fund (FOEX or Fund) is product of an initiative of El Salvador's Government through the Ministry of Economy, to encourage the development of exportations, including the adoption and introduction of technological improvements, for the support of the export process in the Small and Medium Enterprise (SME), through the non-reimbursable Co-financing up to 50% of the Exporter's Project cost.

In case the funds mentioned above are used, and if no new financing funds are obtained, the enterprises that have presented their Co-financing application and the ones which projects are still during the evaluation process will be notified, to take duly note, all of this with no legal or other nature responsibility for the Fund.

A. Vision, Mission and Objectives

Vision

Encourage an exporting and innovating culture among the SME's.

Mission

Strengthen the SME's in their exportation steps and/or technological adoption, in an individual or associated way, through the Co-financed non-reimbursable activities; in order to facilitate their access to the international Market.

General Objective

Promote the exportations development of the SME'S in El Salvador.

Specific Objectives

1. Promote the generation of Export Projects.
2. Facilitate the execution of Export Projects.
3. Spread, promote and situate in the SME's and allied organizations, the model of the Export Development Fund.
4. Promote the incorporation of new technologies that facilitate the opening and arrival process of SME'S to the new Market.

B. Organization and performance

Council of Directors

The Council of Directors will be of a mixed nature, formed by Representatives of the public and private sectors, in order to merge their best efforts, in favor of the Salvadoran exporter sector's development. The board that will be named through an agreement of the Economy's Ministry will represent the maximum authority on a decisiveness level of the Fund and will develop the FOEX strategic and promotion vision.

Members:

1. Economy Minister or its Representative (named through a note) (simple vote).
2. Executive Director of the Competitiveness National Program (PNCES) (simple vote).
3. Up to nine Representatives of the private sector of well-known path and honorability, named by the Minister of Economy, who will act on personal title and ad honoree (each one with a simple vote).
4. Secretary: FOEX Director (with no vote).

The Minister of Economy will be the legal Representative for the Fund, and this responsibility will be in delegating, and will function as President to the Council of Directors. The Minister will sign the Co-financing Agreements with the Beneficiary Enterprises.

Tasks:

1. Ratify, reject, or make observations on the Exporters Project.
2. Evaluate periodically the Fund's impact in the SME's exporter's development.

3. Evaluate the Administrative Unit development.
4. Ratify the Evaluating Members Committee's nomination.
5. Evaluate and approve the establishment of the Fund's strategic alliances with other institutions.
6. Endorse the integration of new financing sources to the FOEX.
7. Prepare exportations promotion policy proposals.
8. Suggest improvements to the Fund.
9. Approve, prior to EXPRO and USAID's endorsement, any change to the established procedures in the current Manual.

The Secretary will convoke to the Board's meetings. The quorum will be established with presence of at least four members with vote, one of which should be the Minister of Economy or it's Representative. The Minister of Economy may invite to the Board's meetings, through the Secretary, the suitable person he considers to advise in the topics the Board will deliberate.

In no case may the members of the Council of Directors, evaluate projects of a postulating enterprise in witch they have any kinship under the fourth civil grade of consanguinity or second affinity, or married partners, cohabitants or mate couples with the directors or owners of the same. Neither should they realize acts and/or contracts with, request employment in, or receive remuneration for advisory from the postulating enterprises or to the Beneficiary Enterprises as long as they are members of the Council of Directors and only after six months of ceasing their tasks. In the same way, the members of the Council of Directors may not present projects to the FOEX. Each member of the Council of Directors will sign an affidavit assuring their legal commitment to comply with the above and with the FOEX's Behavior Code.

Evaluating Committee

The Evaluating Committee will be integrated by a technical team, that will assure the FOEX evaluation criteria application, and will be directed by the Fund's Director in a way that guarantees that the technical criteria is applied taking into account the over-all objectives of the program. The Committee, named by the

Fund's Director and ratified by the Council of Directors, will offer the FOEX an operating and technical transparency in the decision making.

Members:

1. Fund's Director or it's Representative, this last one will be named through a Director's note (simple vote)
2. EXPRO Representative, designated by the EXPRO's Director (simple vote).
3. Fund's Project Manager (with no vote).
4. Up to sixteen representatives from the private sector, with experience on project evaluation, preferable from enterprises linked to the international commerce, as well as the banking and service enterprises for the exporter sector, among others. The Committee members, who can be Salvadoran or foreign, will rotate in a fortuitous way, as an individual person, without payment and each one will have a simple vote.

Tasks:

1. Evaluate technically the individual and associative projects of the Fund.
2. Generate recommendations for the Projects.
3. Prepare for the Board of Director's:
 - a. Recommendations of the projects to Co-finance and their amounts.
 - b. Summary of the approved projects.

The FOEX Director will convoke the Committee's meetings, selecting in a rotating way four members, and can invite, through the Projects Manager, the persons he might consider convenient to advice on the topics the Board will deliberate; these persons invited will have no vote.

The quorum will be established with the presence of at least four members with vote, one of which should be the Director

In no case may the members of the Council of Directors, evaluate projects of a postulating enterprise in witch they have any kinship under the fourth civil grade of consanguinity or second affinity, or married partners, cohabitants or mate couples with the directors or owners of the same. Neither should they realize acts and/or contracts with, request employment in, or receive remuneration for advisory from the postulating enterprises or to the Beneficiary Enterprises as long as they are members of the Council of Directors and only after six months of ceasing their tasks. In the same way, the members of the Council of Directors may not present projects to the FOEX. In the same way, the members of the Council of Directors

may not present projects to the FOEX. Each member of the Council of Directors will sign an affidavit assuring their legal commitment to comply with the above and with the FOEX's Behavior Code

Operating Unit

The Director, the Projects Manager, the Administrative/Financial Manager, and a Deputy Projects Manager, which Tasks will be detailed afterwards, will form the Fund's operating Unit at least. In the same way, it will count with an Executive Assistant, which Tasks are no object of this manual. Besides, new positions can be incorporated according to the needs of the Fund.

No employee or official of the Fund should realize acts and/or contracts with, request employment in, or receive remuneration for advisory from the postulating enterprises or to the Beneficiary Enterprises as long as they are members of the Council of Directors and only after six months of ceasing their Tasks. In the same way, the members of the Council of Directors may not present projects to the FOEX. Each member of the Council of Directors will sign an affidavit assuring their legal commitment to comply with the above and with the FOEX's Behavior Code.

Fund's Director

Tasks:

1. Lead the Fund's promotion efforts and Co-financing application capture.
2. Suggest to the Council of Directors, EXPRO and USAID, eligible new activities for projects.
3. Suggest to the Council of Directors modifications to the established procedures in the current Manual.
4. Evaluate, generate recommendations and/or approve the consultant's work in the Exporters Project development. To carry out this task, the Projects Manager and the Administrative/Financial Manager will provide support and recommendations. In case the enterprise is eligible to present its Exporter's Project will solicit EXPRO the consultant's payment according to stipulations in the agreements, once the project has been revised and accepted by FOEX Operative Unit.

5. Evaluate and generate recommendations on the Export Projects and/or the technological adoption among with the Projects Manager and the Administrative/Financial Manager.
6. Present the Exporters Project and/or Technological Adoption to the Council of Directors
7. Nominate the Evaluating Committee members.
8. Govern the Evaluating Committee.
9. Work as Secretary of the Council of Directors.
10. Articulate FOEX with associated services and managerial organizations.
11. Search for additional or complementary financing sources.
12. Request to EXPRO the applicable funds reimbursement for projects in execution.
13. Approve hiring personnel.
14. Prepare periodic reports to the Council of Directors.
15. Carry out periodic auto-evaluations of the Funds operation.
16. Propose new instruments to encourage exporting.
17. Maintain and cultivate relations of inter institutional coordination.
18. Make technical consultations to EXPRO, USAID and other international organizations.

Projects Manager

Tasks:

1. Identify associative and individual projects with potential of exporter development and technologies adoption.
2. Verify the eligibility requirements of the requesting enterprises.
3. Advice in the preparation and presentation of the Export Project.
4. Verify, Follow up, evaluate and present recommendations to the Fund's Director on the consultant's work of the enterprises Export Projects. To carry out this task, the support of the Administrative/Financial Manager will be received.
5. Evaluate the projects jointly with the Administrative/Financial Manager and the Director.
6. Submit during the Evaluating Committees Meeting the Export Projects and/or Technological Adoption.
7. Advice in hiring managers in case of associative groups projects.

8. Evaluate in a periodic way the approved project execution and formulate recommendations.
9. Coordinate Activities with Trade Point and Competitive Intelligence, associations, clusters, associative groups, NGO's and cooperating institutions, to identify and promote Export Projects.
10. Offer periodic reports to the Fund's Director.
11. Identify additional support for the competitive improvement in the Beneficiary Enterprises.
12. Propose to the Fund's Director new eligible activities for the projects.
13. Propose annually to the Fund's Director a promotion plan to capture projects and resources.
14. Carry out a final evaluation of the projects and suggest recommendations to improve the Beneficiary Enterprise.
15. Carry out the operative close out of the Fund's Projects.

Administrative/Financial Manager

Tasks:

1. Carry out the financial evaluation of the requesting enterprises.
2. Verify Follow up, evaluate and present recommendations to the Fund's Director on the consultant's work of the enterprises Export Projects and/or the technological adoption of the enterprises. To carry out this task, the support of the Projects Manager will be received.
3. Evaluate the projects jointly with the Projects Manager and the Director.
4. Propose to the Director modifications to the procedures.
5. Prepare the Co-financing Agreement and watch over its compliance.
6. Work with EXPRO in assuring the compliance of the Co-financing Agreements and USAID requirements and policies on the beneficiary enterprise side.
7. Develop the needed administrative operations for the FOEX functioning.
8. Receive and review the project liquidations and executed budget presented by the Beneficiary Enterprise, and send them to EXPRO for the reimbursement process.
9. Prepare the Fund's budget plan.
10. Generate monthly reports of the Fund's executed budget.
11. Carry out the administrative financial close out of the Fund's Projects.
12. Maintain and guard the project files for future audits.

13. Design and propose the Fund's administrative-financial controls.

Projects Deputy Manager

Tasks:

1. Support of the operations management in the search, generation, and selection of the associative and individual projects.
2. Responsible for insuring the projects starting.
3. Follow up and control the activities of the carrying out projects.
4. Carry out a periodic evaluation of the project performance.
5. Inform periodically to the Projects Manager on the advances for each project.
6. Identify additional supports for the enterprise competitive improvement.
7. Support the Projects Manager on the results of the executed projects
8. Support the Projects Manager for the corrective actions generation and follow up for the coordinator Committee.
9. Support the Administrative Financial Manager in respect to documents revision and verify the executed activities according to EXPRO and USAID's requirements, previous to send the reimbursement request for the entrepreneurs.
10. Support the Projects Manager in the operative close out of the Fund's projects.

C. Eligible Enterprises

All types of enterprises, legal entity or natural person, individual or associative groups constituted by at least four enterprises of similar characteristics, from the private national sector, dedicated to production of goods or services, whose annual sales are more than \$70,000 and less than \$3 million and enterprises with more than 10 and up to 100 employees, with preference on enterprises which their major activity is located out of the San Salvador Municipality. Their geographical target export market could be one of the following: i) Central America, Mexico and South America; ii) United States and Canada; iii) The Caribbean; iv) Europe; v) Japan; and vi) The Republic of China.

They could develop the economic activities in one or more of the following productive sectors (it is important to note that the sectors mentioned below are those identified as being a priority; however, this is not an exclusive list and additional markets could be identified during the project's life through a common agreement): Agriculture and Food products:

- a) Fresh and processed fruits and vegetables;
- b) Juices and blends of tropical fruits;
- c) “Typical” or “specially” prepared foods;
- d) Ecological / social foods;
- e) Certified seeds; plants;

Manufacturing / handicraft / arts:

- a) Gifts and domestic decorative articles with original designs;
- b) Handicrafts;
- c) Furniture / wooden articles;
- d) Original paintings/sculptures; Works of art reproductions; printing; popular music.

Services:

- a) Tourism (conventions, cultural, adventure, eco/agro, with destination to Central America);
- b) IT, software, call centers;
- c) Products and services commercialization;
- d) Warehousing and distribution; logistic;
- e) Matrix offices parks for the region;
- f) Professional training;
- g) Medical and dental services; miscellaneous professionals;
- h) Micro-credit, remittances capitalization;

Any activity representing a direct or indirect support to tobacco, alcoholic drinks, illegal drugs or weapons manufacturing shall not be supported.

D. Co-financing Eligible Activities

Eligible are the activities included in an Export Project, and directed to satisfy different needs, such as:

1. Preparation of the Export Project

As long as the Project is approved by FOEX and ratified by EXPRO, the cost may be Co-financed. Such project must include objectives, budget, chronogram of

activities, and success measurement parameters to reach, in accordance to the project application. In case of Exporting Projects that incorporate the Technological Adoption, they should additionally detail the methodological characteristics and impact evaluation of the technology being adopted to support the exporter's process, in accordance to the specifically requested in the Project Application.

2. Market Information and products adaptation

Includes activities such as training courses, workshops others related to the promotion of exporters development and the exportation process, the information procurement related to external Market that want to be penetrated, the information materials design related to the offered products promotion by small and medium enterprises, among others.

3. Market Prospecting

This includes activities such as identification and definition of potential client's needs, market segments, competition analysis, prices and conditions for new Market penetration, tax barriers and non-tax barriers.

4. Market Penetration

This includes activities such as support to processes directed to new Market or new products introduction, creation of product awareness and product testing, products adaptation and innovation, obtaining certifications and registers, among others.

5. Market Consolidation

This includes activities to ensure and consolidate the enterprises position in the foreign market: research and development, logistics, alliances for procurement of raw material, products elaboration and its distribution, enterprise installation or permanency in the market destiny, and improvement in the enterprise management capacity. Please take note that the investment in this line item will be totally financed by the requesting enterprise.

6. Products incorporation or improvement and productive processes

This includes the systems acquisition for the enterprise productivity and quality optimization. In the same way, it includes the acquisitions and incorporation of:

- a. Equipment and machinery for the manufacturing, improvement or product transformation (finished, packed, baling, labeled, titled, etc) Please note that the type of acquisitions presented in this literal should be completely financed by the applying business, although it could be part of an export project co-financed by FOEX;
- b. New industrial processes
- c. Soft or Strong Technologies, such as:
 - Technical assistance
 - Equipment and Systems adaptation oriented to the improvement of productive processes.
- d. Enterprises visits, technological fairs or centers that facilitate the technology absorption in products or processes.

7. Franchises

This includes all the eligible activities that culminate in the conversion of a business in to a Franchise.

8. Examples of Eligible Activities for Co-financing by the Fund

Market Prospecting	<ul style="list-style-type: none"> ▪ Research and market analysis ▪ Obtaining Market information ▪ Support for strategic planning for market penetration ▪ Trips for executives to foreign countries, for prospect accomplishment, visit technological fairs, visit industries for observation in the use and applications of technology. ▪ Design and production of promotional material ▪ Design and production of videos and web pages ▪ Research and development of new exportable products ▪ Products adaptation and redesign and packing
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<p>Market Penetration</p>	<p>for foreign Market</p> <ul style="list-style-type: none"> ▪ Sample and launching of new products in foreign countries. ▪ Baling identification and design and lay-out material for foreign Market ▪ Identity and corporate brand creation, design and implementation in foreign country Market.
<p>Market Consolidation</p>	<ul style="list-style-type: none"> ▪ Trips for executives to Foreign Countries ▪ Trips for executives to technological fairs to establish agreements and technological acquisitions ▪ Prospecting trips to related industries for observation of technology use and applications ▪ Participation in commercial fairs (stand rentals, its construction and decoration, samples shipments and trips) ▪ Shipment of samples ▪ Training to the enterprise's personnel in the exporters process ▪ Training in external Market norms and regulations ▪ Recruitment and training of executives in marketing and sales

<p>Incorporation or products and productive processes improvements</p>	<ul style="list-style-type: none"> ▪ Advisories to implement audit and certify Quality Management Systems, Productivity and Hygiene and Alimentary Innocuity (ej.: ISO, 6 SIGMA, HACCP). ▪ Acquisition and adaptation of soft and hard technologies (includes machinery, equipment and systems). In this line item spare parts for machinery and equipment are excluded ▪ Training programs. ▪ Technical consultancies that facilitate the identification and adaptation process of the most adequate technology and industrial procedures. ▪ Products design, improvement and certification ▪ Specialized tests (ASTM type u other) for products and processes
<p>Franchises</p>	<ul style="list-style-type: none"> ▪ This includes all the eligible activities that culminate in the conversion of a business in to a Franchise.

E. Expenses to Co-finance

1. Generalities on Co-financing

- a. The Fund Co-financing can not be more than 50% of the cost of the Project. **In no case will specific activities within the project be Co-financed to purchase fixed assets or operative expenses.**
- b. Individual Projects: in case of an Export Project, the total Co-financing amount can be up to \$24,999, whether this includes Technological Adoption or not.
- c. Associative Projects: in case of an Export Project, with participation of at least 4 enterprises, the co financing could be up to \$24,999 for each enterprise, whether this includes Technological Adoption or not.

- d. The maximum contribution of the Co-financing Fund to prepare the Export Projects and/or Technological Adoption will be \$400, as much as for the individual or Associative ones, on which the physical installations (administrative and/or production) of the enterprises are located in San Salvador and its Townships. The maximum contribution will be \$500, for enterprises which physical installations (administrative and/or production) are located outside the zones mentioned above.

2. Special Consideration on expenses

- a. **Consultant Remuneration working as Exportations Manager** (exclusively for associative groups): up to a monthly amount equivalent to \$1,500 (gross value) to be Co-finance by the Fund.

- b. **Airfare**

Individual Projects: the airfare will be Co-financed in the economic class, for the enterprise executives

Associative Projects: the airfare will be Co-financed in the economic class, for the Projects Manager and executives from each of the enterprises of the associative group.

The Co-financing of this line item should be in accordance with USAID's policies and procedures.

- c. **Per Diem**

Individual and Associative Projects: for missions out of San Salvador Per Diems will be Co-financed for the enterprise executives and/or the Project Manager of Associative groups, according to USAID's regulations.

For both types of Projects, visa payment will be Co-financed to the designated countries, when applicable and after the beneficiary demonstrates the mission's accomplishment.

d. Expenses for Samples shipment

Under this line item an amount approved under this Project will be Co-financed.

e. Expenses for Printing of Promotional Material

In cases of promotional material printing (such as brochures, banners, catalogues, booklets, triptychs, vademecums or flying notes) for using in prospecting trips, fairs, commercial missions, or other similar activities, these will be Co-financed up to the amount approved in the Project under this line item.

f. Expenses for Samples Production

In the case of sample production to be sent out for potential clients or other similar destinies, these expenses will be Co-financed up to the amount approved in the Project under this line item.

g. Quotations

For expenses below \$500, the Fund will not require quotations to Co-finance services and/or products.

3. Co-financing Mechanism

The Fund's Co-financing will be through the following mechanisms:

1. Reimbursement to the enterprises;
2. Direct procurement by EXPRO, of services to be used by the enterprises;
or
3. A combination of both mechanisms.

It is important to note that EXPRO is responsible for the Co-financing Funds management. The use of one or other mechanism or a combination of both with the particular enterprises is under EXPRO's discretion given that FOEX approves the co-financing of a given activity.

For the reimbursement mechanism, the beneficiary enterprises should submit participation's evidence, service use and receipt copies for the same. The services or participation in order to be reimbursed should be acceptable, permitted and assignable and should be in accordance to the policies of this

mechanism and the documents to present for reimbursement. In the Agreement between the enterprise and EXPRO the expenses that are allowed, accepted and assignable will be defined very clearly as well as the documents to present for reimbursement or proof as counterpart. Additionally for the reimbursement mechanism, EXPRO will not reimburse payments for IVA; this is responsibility of the counterpart component of the entrepreneur.

The services that will be directly purchased by EXPRO on behalf of the enterprises should be allowable and acceptable by the program. Due that each Project will be different and each will have their components on technical assistance, services procurement and other peculiarities, the expenses to be assumed directly by EXPRO or by the entrepreneur will be determined specifically for each one of them. In the Execution Agreement between the enterprise and EXPRO, under EXPRO's direct procurement mechanism, the entrepreneur or EXPRO will give details on the expense assumption.

4. Budget Modifications and Amendments

- a. Previously to the Fund's technical evaluation, the Director can authorize changes in the expenses entries , including the inclusion of new activities, up to a 25%, in respect to the FOEX's total contribution provided that:
 - The total amount to Co-finance is not modified.
 - The original objectives are not detracted.
 - The goal market of the Project is not changed.
 - The modification does not exceed the 50% in a cumulative way, in respect to the FOEX's total contribution
 - Note: If the application does not fulfill with all or any of the four previous conditions, the Director can only authorize them with a favorable decision from the Evaluating Committee.
- b. The changes of entries can be authorized for three occasions as a maximum for a same project.
- c. The Director can authorize the incorporation of new activities in technological adoption, with a favorable decision from the Evaluating Committee.

- d. The Beneficiary Enterprises whose Export Projects are being executed or have ended satisfactory, can request new activities for a maximum FOEX Co-financing amount specified in this Manual.

All modifications and/or amendments mentioned above will require ratification by EXPRO.

F. Eligibility of the Suppliers Services to the Beneficiary Enterprises

1. Generalities

To develop the Export Project FOEX should use a competitive process according to USAID policies and procedures to select a consultant that will carry out this study. The selected consultant should be approved by the beneficiary enterprise.

In the same way for the execution of activities that conform the Export Project, the Beneficiary Enterprises with FOEX's support should use a competitive process according to USAID policies and procedures to select the consultant or companies that will carry out the services. EXPRO will provide guidance and support to FOEX and to the enterprises in compliance of USAID's requirements for the selection procedures, objectives and request and offer analysis in a competitive way.

To carry out the transaction procedures the preparation of Terms of Reference is needed to facilitate the process to hire a consultant or service. The terms of Reference should be according to format presented in Annex 2. Additionally, to Co-finance an activity at least three quotations will be needed for services and/or products. FOEX with EXPRO's support will provide instruction to the businesses in how to define the terms of reference and select and compare at least between three offers.

2. Consultants and Service Suppliers

The consultants for the Export Project's development should be identified by FOEX starting from a group of pre-qualified consultants. The selection of consultants or service suppliers that will carry out the Project's described and approved elements will be done by the enterprises with FOEX's support. As it was mentioned, all transaction will have to comply with the requirements of a competitive process and comply with USAID regulations. Besides, FOEX will coordinate the consultants work so that their effort takes them to the concretion of exportation sales.

In addition to the mentioned before, the beneficiary enterprises may select a consultant or service supplier considering the following eligibility criteria:

- a. Someone of their trust and that is considered that will provide a better and timely service, at a reasonable price according to his/her capacity and experience.
- b. Someone of acknowledged and proven professional capacity and, previous “no objection” from the Fund, he/her can be hired directly by the enterprise.
- c. In any case the Beneficiary Enterprise should realize acts and/or contracts with a consultant or other services supplier, legal or natural entity, in which their directors or owners have any kinship under the fourth civil grade of consanguinity or second affinity, or married partners, cohabitants or mate couples with the directors or owners of the Beneficiary Enterprise. The enterprise’s legal Representative will sign an affidavit assuring his/her legal commitment to comply with the preceeding.

All selected and hired consultant by the FOEX should sign the confidentiality letter (see Annex 3).

G. Projects Postulation and Evaluation

The Projects should comply with the established requirements in the present Manual and in the Project Application format to guarantee solidness and feasibility of the same, as well as to establish the ability of the executives that will carry them out. Only one Project by enterprise can be postulated while the pilot program lasts. The documents of legal compliance established by the Fund should be presented in original and copy. After confronting them, the originals will be returned and the copies will be kept in the Project’s file. The requirements to comply are the following:

1. Copy of the enterprises constitution instrument, and certification of the prevailing elected Council of Directors extended by the corresponding register.
2. Certification of their financial statements inscribed legally to:
Commerce Register, and
Superintendence of Mercantile liabilities
3. Reliability extended by the Salvadoran Social Security Institute (ISSS) in reference to corresponding payments.

4. Copy of the Tax Identification Number (NIT) and TaxPayer Register Number (NRC).
5. In case of the legal representation, the acts note in which the Council of Directors certifies the legal representative or the power of attorney in which the legal representation is included
6. Photocopy of the Unique Identity Document (DUI) or Resident Card of the Legal Representative.
7. Audited Financial Statements for the two fiscal years previous to the year in which the project is presented. (Note: When the projects are presented during the first quarter of the calendar year, the audited financial statements will be accepted from the two fiscal years previous to the year just finished
8. Most recent Balance Sheet (no more than three months oldness).
9. Rent Declarations (last fiscal year) and IVA (last 12 months).
10. Project Application filled in properly.
11. Letter (based in a model provided by the Fund) expressing formal commitment to subscribe a Co-financing Agreement, in case the application is approved.

In compliance with these requirements the postulating enterprises can present to the Fund their Co-financing application of an Export Project.

IV. Project's Process on Preparation, Reception, Evaluation, Approval, Follow up and Close Out.

A. Projects Preparation

1. Word Processing and Legal Documents Revision

Word processing of the initial information will be carried out according to the following process:

- a. Informative meetings from the Fund's representatives with individual enterprises, associative groups, associations and other related entities with the SME's.
- b. Identification of potential individual or associative projects.
- c. Enterprises visits and delivery of:
 - i) FOEX's Instructive for Projects Formulation.
 - ii) Project Application.

- d. Eligibility Verification.
- e. Preliminary revision of legal complying documents established by the Fund.

2. Projects Elaboration

The project elaboration will be done according to the following process:

- a. Project design by the postulating enterprise and/or by the Consultant assigned to work closely with the postulating enterprise.
- b. Planning in the Project Application.
- c. Meetings with the FOEX team for revision and recommendations.
- d. Project suitable suggestions by the Fund.
- e. Project suitable suggestions by the postulating enterprises and/or by the designated consultant (if needed).
- f. Delivery of final version and Project signature by the postulating enterprise in the Project Application, in printed format and in diskette.

B. Projects Reception

1. Reception of Projects Documentation

- a. The Fund's Project manager will enter the application and will assign a correlative code to the Project according to USAID policies and procedures.
- b. A project file will be open to maintain all Background of the evaluation process.
- c. The projects will be review according to first in, first served.
- d. In case FOEX requests additional information to the postulating enterprise, this one should respond within 10 calendar days starting from the date of the application. If no answer is received, FOEX will send a notification letter informing the correlative code has been lost and a new application needs to be submitted, unless cases of major force or when the Fund estimates there are reasons enough impeding compliance with the request.

2. Projects Evaluation

All project presented will be submitted to an initial evaluation. For that, three fundamental criteria will be rated:

- a. Exportation capability
- b. Exporter's Project Solidness

- c. Necessity and projected impact of the technological adoption (when the Project includes a technological component).

A series of aspects will be reviewed in relation to the requesting project objectives and the co-financed indicated activities. The aspects to review (explained in more detail in the Project Application) are the following:

a. Exportation Capacity

i. Initial Exporting Capacity

- a) Organizational Structure
- b) Exportations load
 - i) Exporting Experience
 - ii) Sales Distribution (Local/Exportations)
- c) Number of Clients by Market
- d) Resources to Export
- e) Quality and innovation
 - i) Innovation
 - ii) Quality Systems Certification
- f) Associativiness

ii. Knowledge of the External Market

- a) External Market No. 1 Requirements
- b) External Market No. 1 Exportations
- c) External Market No. 2 Requirements
- d) External Market No. 2 Exportations
- e) External Market No. 3 Requirements
- f) External Market No. 3 Exportations

iii. Financial Capacity

- a) Activity Coefficient
- b) Liquidity Coefficient

b. Exporters Project Solidness

To determine the solidness of the requesting enterprise's Project, the information will be crossed from the "Initial Exporting Capacity" and the "External Market Knowledge" with the activities included in the presented Project. The saying Project should transform weaknesses into strengthens, obtaining through the planned activities, knowledge and resources lacking.

c. Technological Adoption's Project Solidness

To determine the solidness of the projects incorporating technological adoption, a technological evaluation guideline will be applied that will measure the following aspects:

- i. Private and Social Economic Evaluation
 - a) Expected Impacts
 - b) Economic Impact
 - c) Project Costs
 - d) Clarity in the definition of the line of business affected by the project's Competitive Advantages
- ii. Technological content and Business Potential
 - a) Quality and severity of Project's fundamentals
 - b) Technological attractive
 - c) Technological situation
 - d) Proposing commitment
 - e) Defined Strategy.
- iii. Management and Experience
 - a) Proposed Adoption's Methodology
 - b) Coherence between the requested resources and the real needs of the project
 - c) Activities Programming, tasks division, responsibilities and resources assignation
 - d) Quality of the responsible work team

The FOEX Evaluating Team will review these aspects. In Annex No. 4, a detail explanation is enclosed of all the above mentioned.

3. Projects Approval

a. Approval by the Evaluating Committee

The Fund will study the individual and associative Projects and will propose recommendations to the requesting enterprises, in case it's needed. Once the recommendations are incorporated, it will be sent to the Evaluating Committee. For the evaluation the next process will be followed:

- i. It will be selected in an aleatory form and the Members of the Evaluating Committee will be convoked.

- ii. The postulating enterprises will be convoked to the Committee's session and will have a maximum of 15 minutes to present their project. Afterwards, they can answer questions or observations to the Committee.
- iii. The Evaluating Committee meetings will be convoked by the Fund's Director.
- iv. The Evaluating Committee will study the projects and will give their approval based on objective individual evaluations from each Committee member. For a project to be approved, a qualified majority (three votes, when only four members are present, and four votes out of five, in case all the convoked were present). The approval will be recorded in a dated and numbered Act of the meeting.

b. Board of Director's Ratification

In case the Evaluating Committee approves the Project, the Fund's Director will incorporate it in the Board of Director's agenda for its ratification, observation or rejection.

The next process will be followed:

- i. The Director will present the Projects to the Council of Directors, including an Evaluating Filing Card, for them to ratify, observe or reject the Co-financing.
- ii. After analyzing and evaluating the Projects, the Council of Directors will ratify, observe or reject the Co-financing applications based on the objective individual evaluations from each Committee member. For a project to be ratified, a qualified majority (three votes, when only four members are present, and four votes out of five, in case all the convoked were present). The approval will be recorded in a dated and numbered Act of the meeting.
- iii. The Board of Director's will authorize the Director's Fund to request to EXPRO to assign Co-financing resources for the ratified Projects.
- iv. When EXPRO ratifies and receives written approval from USAID that the Project complies with the USAID procedures and policies, the FOEX Director will send to the postulating enterprise Notification Letter informing on the ratification, observation or rejection of the project, and the Co-financing Agreement to be subscribed with the Fund and EXPRO, for the

Project implementation in case of ratification by EXPRO and approval by USAID.

- v. From the date the Council of Directors ratifies the resources assignation for the Project (Individual or Associative); there will be a maximum of 15 working days to subscribe the Co-financing Agreement.
- vi. Once the Co financing Agreement is signed, the beneficiary enterprise name, the representative, the Project, and the Co-financed amount will be published in the FOEX web page. Upon request of the Beneficiary enterprise, the needed measures to protect the information's confidentiality considerate strategically for their business can be taken.

c. Rejection

In case the Project is rejected, whether it is by the Evaluating Committee or by the Council of Directors, the Fund's Director will send a notification letter for the requesting enterprise informing the reasons for the decision. The following modalities can occur:

- i. In case there is no definitive agreement in the acceptance or rejection of the Project, the Fund's Director will be asked to communicate to the enterprise the required changes so it can be re formulated before its new presentation in a next meeting. With no notable damage, in the meeting's Act the foundation's decisions should be recorded.
- ii. If the application is rejected, the reasons should be recorded in the meeting's Act, in which case the Fund's Director will send a notification letter to the postulating enterprise, along with the reasons that motivated the rejection. In the same way, a correlative code corresponding in the rejection category.

4. Projects Execution

a. Resources Reimbursement and/or Products and Services payments by the Fund

The enterprises will receive the resources reimbursement by the activity execution according to the Activities Chronogram established by the Project. Besides, the Fund can make direct payments for the purchase of products or

services for the beneficiary enterprise according to the established by the Exporter's Project, according to detail in the Activities Chronogram.

b. Projects Follow up

- i. The fund will follow up each Project, through visits or any type of investigation, verifying the activity development, the objective achievement and the advances.
- ii. The Fund will prepare follow up reports, and will be available to the members of the Council of Directors, EXPRO, USAID and other entities authorized to review the Fund's documentation.

c. Procedures Revision and Expenses Liquidations by USAID

The concerning documentation to the reception, evaluation, approval, ratification or rejection process of the applications, including the signed agreements with the Beneficiary Enterprises will be subject to prior revision by USAID and other authorized entities to review the Fund's documentation.

d. Projects Close Out

The close out of each individual project once the activities described in the Export Project are carried out will require FOEX's confirmation that all the funds were used accordingly to the enterprises agreement's terms. On the other hand the beneficiary enterprise should present a report in which clearly states that the project has been completed.

At the end of the project, the enterprise performance will be evaluated in the compliance of the established objectives. The FOEX, jointly with the enterprise, will evaluate the reached results and will present it to the Council of Directors as a close out report.

The following process will be followed and the following topics will be included:

- i. Evaluation meeting and Project operative close out (a report is generated on the operative close out of the Project)
- ii. Summary of lessons learned during the Project's execution.
- iii. Recommendations for the enterprise.
- iv. Evaluation meeting and Project administrative close out (a report is generated on the administrative close out of the Project)
- v. All Project document files

V. Co-financing Agreements

A. Specifications

An Agreement will be subscribed with a maximum duration of a year, in which the enterprise and the Fund will appear. This will contain the following:

1. Chronogram of activities according to FOEX formats, with a maximum horizon of a year.
2. Co-financing forms and conditions.

The agreement will be adjusted to the model elaborated by the Fund (see Annex No. 5). The maximum execution term of the Projects will be June thirtieth year two thousand five.

In the case of the Associative Projects, the enterprises will select an Exportations Manager to coordinate the programmed activities in the Project and, previous to the Fund's "no objection", will be directly hired.

The initiating and finalization dates of the Project activities should be recorded in the Agreement signed by the parties, to determine the reimbursement calendar.

B. Agreement's signature

For the Agreement's formalization, the next procedure will be followed:

Reception of the signed Agreement by the entrepreneurs and sending this back to the Fund's Legal Representatives for their signature.

1. Reception of the signed Agreement by the Fund's legal Representatives and sending back the original to the Beneficiary Enterprises for their files.
2. The Fund files the original signed Agreement in the Project's folder.

The reimbursements to the beneficiary enterprises can be initiated only if both parties have signed the Agreement.

C. FOEX's obligations

1. Keep absolute confidentiality of the documents and information (verbal or written) provided by the enterprises, as long as it is not of public character. Each employee, official or FOEX member will sign an affidavit affirming his or her legal commitment to comply with the preceding.
2. Watch for the correct resources administration provided by FOEX-EXPRO to the beneficiary enterprises, according to USAID policies and procedures.

3. Request to EXPRO the steps for the resources corresponding to the Co-financing according to the established terms in the current Operations Manual.
4. Verify that the Project results are adjusted to the planned objectives in the Projects Application.
5. Carry out follow up and monitoring tasks to the project activities in execution.
6. Maintain current files for each project with all the pertinent information; in order to facilitate the supervision, evaluation and auditing tasks.
7. Watch that in all publicity or promotional activity carried out on behalf of the project, is expressly published that this is executed with FOEX's Co-financing, and in the same way, watch that in the beneficiary's enterprise office, in a visible spot to the public, a sign is elaborated according to the FOEX's specifications, making reference to the Project and that is being Co-financed by the Fund.
8. No employee or official or member of the Fund should realize acts and/or contracts with, request employment in, or receive remuneration for advisory from the postulating enterprises or to the Beneficiary Enterprises as long as they perform and only after six months of ceasing their Tasks.

D. Beneficiary Enterprise's Obligations

1. Sign an Affidavit of knowledge and acceptance of the FOEX Behavior's Code and USAID certifications.
2. Deliver all the information concerning the Project in the Fund's application as solicited by the fund.
3. Participate in the Project analysis and evaluation meetings convoked by FOEX.
4. Selection of the service suppliers and consultants for the Beneficiary Enterprises in compliance with USAID requirements.
5. Present Information on their exportations and information related to the EXPRO indicators system. The exact date to present these reports and information will be identified in the signed Agreement with the Beneficiary Enterprise.
6. Make sure that in all publicity or promotional activity carried out on behalf of the project, is expressly published that this is executed with FOEX's Co-financing, and in the same way, watch that in the beneficiary's enterprise office or location, in a visible spot to the public, a sign is elaborated according to the

FOEX's specifications, making reference to the Project and that is being Co-financed by the Fund.

7. In case the beneficiary enterprise has or develops a web page in the future, they must include in the same; information related to the Co-financing received by FOEX and incorporates a connection with the Fund's web page. For these effects, the Fund will supply the enterprise with the reference material.
8. Authorize the Fund to publish the Project's results and provide all the required collaboration to facilitate this activity. In case the Beneficiary Enterprise publicizes the results on their own, they should previously obtain FOEX's approval.
9. The Beneficiary Enterprises are committed to give the needed facilities so the Fund can carry out at the end of the project and for a period of three years, an impact evaluation of the Project and follow up of the achievements reached.
10. It will be the Beneficiary's Enterprise responsibility that all documentation and information presented is real, exact and complete; in contrary case, they would be exposed to the corresponding legal penalization. The Fund reserves the right to verify any information provided by the enterprise at its convenience.
11. In any case could the entrepreneur be beneficiary of other support fund of the El Salvador Government to Co-finance the approved activities and Co-financed by FOEX.
12. In the case of the Associative Projects, they can have an Exportations Manager that administers and develops the Project's actions. After hiring, witch should already count with the FOEX's no objection, the Manager will depend directly and exclusively by the Beneficiary Enterprises of this Project, to whom he/her should report the development of his/her management
13. In case of the Associative Projects, award enough power to the Exportations Manager, so he/her can carry out all the delegated activities, administer the resources in accordance to the established budget and represent the Project in front of third parties in the same actions. The relative protection to the notable power will be established by the same enterprises.
14. No consultancy should be hired from any employee, official or member of the Fund, or neither hires him/her in the minimum term of six months after ceasing his tasks.

E. EXPRO's Obligations

1. Disburse the Co-financing funds to the consultants and selected firms for the execution of the "Diagnosis and Business Plan" and the service suppliers to the beneficiary enterprises according to the terms in the Agreement. The disbursements must be given in an efficient and fast way, always complying with USAID procedures and regulations.
2. Verify that the obtained results of the consulting services hired are the ones established in the Agreements.
3. Maintain custody of the corresponding documentation for each one of the enterprises participating in the program.
4. Watch that the FOEX delivers to the institutions the required data for the indicators system no later than the dates established in the Cooperation Agreement.

F. Anticipated Termination

1. In case the Project has not initiated in the term predicted in the Activities Chronogram, the Beneficiary Enterprises should present an explaining letter to the Fund's Director who will evaluate the situation and will present the case to the Council of Directors, who can penalize with re-assigning the resources to a new Project.
2. The no compliance of programmed activities in a reasonable time with any proper justification will be cause for anticipated termination of the Project, suspending reimbursements immediately.
3. In case the Beneficiary Enterprises wants in anticipation to terminate the project, without being totally executed, they should present an explanation letter to the Director's Fund with an enclosing report of executed activities with its corresponding financial report. The Director's Fund will present the case to the Council of Directors who will definitely penalize the anticipated Project termination.
4. In case the Fund finds later, that either during the Project's execution or once the same has ended, an amount disbursed to the Beneficiary Enterprise was used for a different destiny from what was established in the Agreement, they will immediately proceed to demand 100% amount's reimbursement from the

beneficiary Enterprise, with no legal damage. In case the Project is still in execution, this will cause anticipated termination.

G. Disputes Solution

In case disputes arise in the execution, administration, follow up, monitoring, expenses or all operative aspects in the Project's execution, these should be presented to the Fund's Director, who will present them to the Council of Directors, analyze and solve the problem. The involved parties will comply with the Board's final decision.

H. Projects Property

The property of the FOEX Co-financed Projects belongs to the Beneficiary Enterprises that have participated in its execution and Co-financing.

VI. "Fast Track" Mechanism

The FOEX Director is empowered to authorize Co-financing punctual activities framed within the organization of Commercial Missions and Fairs organized by government institutions and export support entities. The maximum amount to Co-finance for each enterprise is \$3,000, according to specific norm foreseen in Annex 6 of this Manual, named "Policies and Procedures for the use of the Mechanism, Fast Track".

A. Projects Process on Preparations, Evaluation, Approval, and Follow up and close out

EXPRO has the obligation to publicly reveal to the SME's about the Export Development Fund with whom they will be jointly managed. To comply with this requirement EXPRO will use as an alternative the tool APS (Annual Program Statement). EXPRO will publicize this APS in USAID web page as well as in the local newspapers with national coverage during the month of December 2003.

Parties, EXPRO and FOEX will agree the exact contents of this APS. The information will be presented, in such way, that the public will easily and clearly determine the needed requirements and ways to apply to the Fund.

B. Fund's Application

1. Documentation to present

The requesting enterprise should present the Enterprise's Profile completed properly. It is important to note that as part of the information requested in the Profile are some data to establish the baseline of the indicators system to monitor the enterprise's evolution in aspects related to exportations, besides the postulated enterprise should present a letter (based on a model provided by the Fund, see Annex No. 7) expressing their formal commitment to subscribe a Co-financing Agreement, in case the application is approved. Additionally the postulating enterprise should present the legal documents established by the Fund, original and copy. Once they are confronted, the originals are returned and the copies are filed in the Project Folder. The documents are the same detailed in page 21 of this manual (sentence G).

FOEX will receive a letter from the postulating enterprises expressing their formal commitment to subscribe a Co-financing Agreement and the Enterprise's Profile completed properly, along with all the required documentation. FOEX will open a file for the "Fast Track" Mechanism to manage in an exclusive form, all the information related to the postulating enterprises, and will assign a unique code to the enterprises based on the coding system developed by EXPRO (see Annex N° **8**). This system will help to facilitate the reports to USAID in relation to the progress in the completion of the Fund's goals and objectives, as well as the beneficiary SME's.

2. Enterprise Evaluation

All applications that are in compliance with the above requirements will be submitted to an initial evaluation in order to determine if they meet or not the qualification criteria to become a Fund's beneficiary:

a. Organization:

- i) Defined Organizational Structure
- ii) Financial Feasibility
- iii) Enterprise formality

b. Export capacity

- i) Production capacity;
- ii) Technology;
- iii) Product Quality
- iv) Innovation

c. Financial Capacity

It will be evaluated in order to determine if the enterprise has the financial capacity or not to cover the counterpart cost of the project and other execution costs.

3. Ratification from EXPRO, Approval from USAID, and Communication to the Requesting Enterprises

EXPRO will review the documentation of FOEX's approved enterprises to make sure that these comply with the USAID minimum requirements. EXPRO reserves the right to ratify while USAID reserves the right to concede the final approval with respect to the Co-financing Agreements that grant resources following the USAID requirements and policies. If the enterprise complies with USAID requirements, upon receiving USAID's approval EXPRO will notify FOEX that the approved enterprise qualifies to carry out the Export Project. When the EXPRO notification is received, FOEX will notify in written to the requesting enterprise that they have qualified to receive the benefits from the first stage.

VII. Prevailing Date

The version 3.0 of the Operations Manual will be in force after receiving the "no objection" of USAID, EXPRO and FOEX.

VIII. Special Clause

All projects in execution previously approved to be initially funded from other sources of financial resources could be co-financed through EXPRO funds given that they comply with USAID's minimum requirements and policies.

ANNEX N° 1

**Annual Public Declaration of the
Program's Content**

APS (Annual Program Statement)

**EXPORT PROMOTION FUND
EXPRO-FOEX**

EL SALVADOR

Annex 1

Annual Public Declaration of the Program's Content

APS (Annual Program Statement)

Export Promotion Fund EXPRO-FOEX

- A.** In compliance with 22 CFR 226 and the Foreign Assistant Act of 1961, EXPRO announces that the small and micro enterprises (SME's) of El Salvador have the opportunity to apply to receive support and assistance in the penetration of external markets with its products or services.

B. Project Objectives

Contribute to the promotion and development of competitiveness of the small and micro enterprises (SME's) through the promotion of their goods and services in regional and international markets.

Support the small and micro enterprises (SME's) with specialized services that will help them to improve their competitive position in international markets.

Contribute to the diversification of the national exportable offer assuring the effective participation of the small and micro enterprises (SME's) in the exporter activity, which contributes to increase employment, population's income and energize the national economy.

The objectives of the program apply so much for individual SME's as well as for those that form an associative group.

C. Duration of the program

The opportunity to apply to the program, as long as there is availability of funds, ends in March 2005. The execution of individual plans of the enterprises should not go further June 2005.

D. Support offered by the Program

Are eligible the activities that are included in an Exporter Project, and that are oriented to satisfy different needs, such as:

1. Elaboration of the Exporter Project

If the Project is approved by FOEX and ratified by EXPRO, the cost of the same would be co-financed. This project should be in accordance with the FOEX format presented in the Project Form.

2. Market information and products adaptation

Includes activities like training courses, workshops or others that approach aspects related with the fomentation of exporter development and with the exportation process, the purchase of information related to external markets that want to be penetrated, the design of information materials related to the diffusion of products provided by small and micro enterprises, among others.

3. Markets prospection

This includes activities such as identification and definition of the necessities of potential clients, market segments, analysis of the competition, prices and conditions of penetration in new markets, duty and non-duty barriers.

4. Market penetration

This includes activities such as the support of processes guided to the introduction in new markets or of new products, creation of conscience of the product and products tests, products adaptation and innovation, obtaining certifications and registries, among others.

5. Consolidation in the markets

This includes activities to assure and consolidate the positioning of the enterprise inside the foreign market: investigation and development, logistics, alliances for raw materials purchases, elaboration of products and their distribution, installation or permanency of the enterprise in the destination market, and improvement of the capacity of business administration.

6. Incorporation or improvement of productive products and processes

This includes the acquisition and incorporation of systems for the optimization of the productivity and quality in the enterprise.

7. Franchise

This includes all the eligible activities that culminate in the conversion of the business in a franchise.

E. Application Process to the Program

To be eligible to the program the small and micro enterprises (SME's) should:

- a. Have among 10 and 100 permanent employees;
- b. Have annual sales until \$685,704;
- c. Hs preference has its main activity located outside the Municipality of San Salvador;
- d. Have as their goal market of geographical export one of the following: i) Central America, Mexico and South America; ii) United States and

- Canada; iii) The Caribbean; iv) Europe; v) Japan; Republic of China and the rest of Asia;
- e. develop economic activities in one or more of the following productive sectors:

Agriculture and foods: Fruits and fresh and processed vegetables, juices and preparations of tropical fruits, prepared foods “typical” or “Special”, ecological/social foods, certified seeds; plants.

Manufactures / handicrafts / arts: Gifts and domestic ornamental articles with original designs, handicrafts, furniture / wooden articles, paintings / original sculptures, works of art reproductions; printing; popular music.

Services: Tourism (conventions, cultural, adventure, eco / agro, destination Central America), IT, software, call centers; products and services commercialization; storage and distribution; logistics, main offices parks for the region; training and professional formation, medical and dental services, several professionals, micro credit, capitalization of remittances;

It is important to note that the sectors and markets here mentioned are identified as high priority, nevertheless, this list is not exclusive and sectors or additional markets can be identified during the life of the project.

The enterprises that apply as associative groups will comply the above mentioned approaches of eligibility. Additionally these enterprises will need to comply with a minimum of four enterprises in the associative group.

The documents of legal execution settled down by the Fund, will be presented in original and copy. Previous confrontation to each other, the originals will be returned being added the copies to the Portfolio of Project. The requirements to complete are the following:

- a. Copy of the constitution deed of the society, and certification of the election of the Council of directors extended by the correspondent registry.
- b. Certification of registration of their financial statement in legal form to: Trade of Registry, and Superintendence of Commercial Obligations.
- c. Solvency extended by the Salvadoran Institute of Public Health (ISSS) regarding the payment of the respective rates.
- d. Copies of the Number of Tributary Identification (NIT) and Number of Registration of Taxpayer (NRC).
- e. In the case of legal representation, it will present certification of the point of records where the Council of directors of the society names him as such, or power of attorney where is contained the legal representation.

- f. Photocopies of the Unique Document of Identity (DUI) or Identification card of Resident, of the Legal Representative.
- g. The audited financial statements of the last two fiscal exercises previous to the year that the project is presented. (Note: When the projects are presented during the first trimester of the calendar year, the audited financial statements from the two previous fiscal exercises to the year that just concluded will be accepted).
- h. The most recent balance of confirmation (not more than three months of antiquity).
- i. Income tax (last fiscal exercise) and IVA (last 12 months).
- j. Project application properly filled out.
- k. Letter (base in the model provided by the Fund) expressing formal commitment of subscribing a Co-financing Agreement, in the event the application is approved.

By completing these requirements the candidate enterprises would be able to present to the Fund their Exporter Project. All presented Project will be subject of an initial phase of evaluation. For it, two fundamental approaches will be qualified:

- a. Export capacity
- b. Consistency of the Exporter Project

An Appraiser Committee will evaluate the projects. The appraiser committee will study the projects and give its approval based on an individual objective evaluation of each member of the Committee. For a Project to be approved, a qualified majority will be required.

In the case the Project is approved by the Appraiser Committee, the Director of the Fund will incorporate it in the calendar of the Directive Council for its ratification, observation, or rejection.

F. Supports per Enterprise

The maximum contribution of the Fund for the enterprises in an individual and associative project will be of US \$24,999.

G. Co-financing structures

The program applicants are required to pay 50% of the total costs of the process, the Fund will co-finance 50%.

H. Finance of Project Program

The financings of the program will be administered by EXPRO.

I. Contacts

EXPRO
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rrenderos@expro.org
89 Av #135 Walk Step
Front Scotia bank

FOEX

Edgar Miguel Carias 281-3639
Ministerio de Economía
Centro de Gobierno
San Salvador

- J.** USAID reserves the right of approving all or none of the applications presented for this program.

ANNEX N° 2

Format Example of Terms of Reference

**EXPORT PROMOTION FUND
EXPRO-FOEX**

EL SALVADOR

Annex 2

EXPRO-FOEX

Format Example of Terms of Reference

Background

The International Goodwill enterprise has been selected by the assessment committee of FOEX to receive benefits of the Export Promotion Fund. Also its export plan for its Organic Coffee product has been approved.

One of the elements contemplated in the said plan is the execution of a technical assistance to improve packaging design, as one of the key elements to achieve that the product be exported to the United States.

Objectives

The objectives of the proposed technical assistance in this document are:

- Present a new package design for the Organic Coffee “Santa Catarina” 1 pound presentation for the enterprise International Goodwill.

Methodology

The consulting enterprise must:

- Collect information: Through interviews with the Manager and Partners of the enterprise to discuss aspects related to the package design and collect their opinions as well as read the document “Diagnosis and Business Plan” of the enterprise;
- Develop a proposal for a new package design;
- Present said proposal for discussion with the manager and Enterprise Partners;
- Execute changes to the design according to what has been agreed in the presentation, and presentation of the final design.

Deliverables

The consultant must present the following concrete products during the execution of the consultancy through which percentages will be received for payment of the total cost payment mentioned above:

- Initial proposal of new design 40%;

- Presentation of final proposal with the acceptance of the International Goodwill representative 60%;

Execution Period

The execution period of consultancy must be three weeks. Its execution must start not later than October 30.

Qualifications

The consultant to perform said technical assistance must have the following qualifications:

- Title in Graphic Design or related career;
- Minimum of two years of work experience in this area;
- Has worked in product packaging, product being exported at that time.

ANNEX N° 3

Conduct Code

**EXPORT PROMOTION FUND
EXPRO-FOEX**

EL SALVADOR

FOEX CONDUCT CODE

The EXPRO-FOEX Export Promotion Fund will pursue the maintenance and promotion of a positive working environment that encourages the ethical behavior of FOEX personnel. The current conduct code does not have all the answers and does not present all the possible ethical situations that might arise. It also does not eliminate the necessity of good judgment and it does not substitute or eliminate the pertinent legal dispositions. What this code intends to be is a guide for the employees, officers and members of FOEX in their daily interrelationships and in their decisions. The code covers FOEX as a whole, including its employees, officers, consultants, members of its evaluation committee and directors as well as applying and beneficiary businesses including their owners, directors and members of their management teams.

CONFLICT OF INTEREST

To avoid conflicts of interest compromise and awareness is required. FOEX employees and officers must execute their work considering the interest of the fund. That is the reason why they will avoid any conflict between their personal interests and FOEX responsibilities. When situations arise that might include conflicts of interest, a clarification or permission from the funds director will be solicited. The possible conflicts of interest are many but for illustrative purposes the following can be mentioned:

Gifts or gratifications

The acceptance or delivery of gifts might give the impression of the creation of an obligation. The employees, officers or members of FOEX will avoid as a norm to deliver or accept any gifts, favors or gratifications in the execution of their official duties. Nevertheless when the situation becomes inevitable care will be exercised to not accept gifts of such value that they might result in an apparent intent to condition their decisions or actions. Gifts of social character or of small nature are acceptable but no gift or gratification should be over 100 Colones. Any doubts about gifts and their acceptance should be presented to FOEX Director.

External activities or employment perspectives

The employees, officers and members of FOEX will abstain from performing external activities if they can cause real or apparent conflicts of interest. They will also not allow that their decisions might be influenced by the perspective that they might be offered an employment by other persons or firms that maintain relations with FOEX.

Illegal commissions or bribes

FOEX has the compromise to execute an integral and honest activity, thereby will do everything possible to avoid that its co-financing funds are used for illegal payments of any type. When there is uncertainty about the final destiny of a payment or there are doubts about the legality of the same, the Director of FOEX and the legal advisor of the Ministry of Economy will be consulted in order to take appropriate measures with the due celerity. Clearly it is unacceptable that an officer, employee or member of FOEX receives or suggests the payment of an illegal commission or bribe. If an act of such nature is verified the involved person will be immediately ceased from his/her functions and will be liable for any corresponding legal sanctions.

Revelation of confidential information

Confidential information about applicant and beneficiary businesses, about other entities with which the fund has relations or about the fund cannot be used to obtain personal, family or for other persons benefit. If any employee, officer or member of FOEX has non-public information, he/she will abstain from using it. In addition he/she cannot reveal confidential information to others that can benefit from it. When there is uncertainty that an information is public or not or if any concrete action might be or seem to be using confidential information, FOEX Director or the Legal Advisor of the Ministry of Economy has to be consulted

Notwithstanding that openness and transparency of information are fundamental for FOEX to duly comply with its mission; the fund will maintain absolute confidentiality about the documents and information (written or verbal) that the businesses might have provided, given that this information is not of public character. Every employee, officer or member of FOEX will sign an affidavit stating his legal compromise to comply with the above.

INCOMPATIBILITIES

Board of Directors

Under no circumstance the members of the board of directors will present projects to be co-financed by FOEX. Also projects from an applying business whose directors or owners have a degree in witch they have any kinship under the fourth civil grade of consanguinity or second affinity, or married partners, cohabitants or mate couples. Neither should they realize acts and/or contracts with, request employment in, or receive remuneration for advisory from the postulating enterprises or to the Beneficiary Enterprises as long as they are members of the Council of Directors and only after six months of ceasing their tasks. In the same way, the members of the Council of Directors may not present projects to the FOEX. Each member of the Council of Directors will sign an affidavit assuring their legal commitment to comply with the above and with the FOEX's Behavior Code

Evaluating Committee

Under no circumstance the members of the evaluating committee will present projects to be co-financed by FOEX. Also projects from an applying business whose directors or owners have a degree in witch they have any kinship under the fourth civil grade of consanguinity or second affinity, or married partners, cohabitants or mate couples. Neither should they realize acts and/or contracts with, request employment in, or receive remuneration for advisory from the postulating enterprises or to the Beneficiary Enterprises as long as they are members of the Council of Directors and only after six months of ceasing their tasks. In the same way, the members of the evaluating committee may not present projects to the FOEX. Each member of the Council of Directors will sign an affidavit assuring their legal commitment to comply with the above and with the FOEX's Behavior Code

Operating Unit

No employee or officer should they realize acts and/or contracts with, request employment in, or receive remuneration for advisory from the postulating enterprises or to the Beneficiary Enterprises as long as they are members of the Council of Directors and only after six months of ceasing their tasks. In the same way, the members of the operating unit may not present projects to the FOEX. Each employee or officer of FOEX will sign an affidavit assuring their legal commitment to comply with the above and with the FOEX's Behavior Code

Applying or beneficiary business

The applying or beneficiary businesses cannot execute contracts or acts with a consultant or other service provider whose directors or owners have a degree in which they have any kinship under the fourth civil grade of consanguinity or second affinity, or married partners, cohabitants or mate couples.

The applying or beneficiary businesses will not contract advisory from any employee, officer, or member of the fund and cannot contract them for a minimum of six months after ceasing their tasks. The legal representative of each applying or beneficiary business will sign an affidavit assuring their legal commitment to comply with the above and with the FOEX's Behavior Code

PROCEDURES TO FOLLOW

First when an inadequate conduct contemplated in this code worries you, talk to the Director of FOEX to present, analyze and search for a solution to the problem.

Second, if the Director cannot solve the problem, or if he is the problem, present your worries to instances above the Director within the Ministry of Economy such as: The Executive Director of the National Competitiveness Program, the Legal Advisor of the Ministry, the Vice Minister of Commerce and Industry or the Minister himself.

San Salvador, November 2003

AFFIDAVIT

Ministry of Economy, FOEX, San Salvador, at the _____ hours of the _____ of _____ two thousand and _____. Present in this direction Mr./Ms _____, (of _____ of age) (as: employee, officer, member of the Board of Directors, Legal Representative of the Business _____, etc) and **DECLARES:** That he/she knows the obligations and restrictions that in his quality are imposed to him by FOEX's Code of Conduct, and as a consequence in this act , **UNDER OATH** expresses that he is committed to (indicate restrictions) in the period that he performs in the quality described and the following six months to the conclusion of the same, accepting the legal responsibilities that might arise from the non-compliance of the indicated compromise. A copy of the aforementioned Code of Conduct is attached to this document duly signed by both signing parts. Having no additional matters to express the current affidavit is concluded, end in recognition of the terms of the same , the same is signed by both the declaring party and the Director of FOEX.

Declaring Party

Director

ANNEX N° 4

EVALUATION OF EXPORT PROJECTS

**EXPORT PROMOTION FUND
EXPRO-FOEX**

EL SALVADOR

1. Evaluation Criteria

Every applying project will undergo an initial evaluation procedure that will determine the validity of its application. To do so two fundamental criteria will be evaluated:

- **Capacity to Export** of the proponents and their associates, to materialize the project;
- **Consistency of the Export Project** principally proposed on the knowledge of the market or markets targeted to enter.

These criteria will be weighed based on the procedures that are detailed below.

2. Results of the Analysis

The evaluation guideline classifies and details the criteria aforementioned.: Export Aptitude (with a weigh of 40%) and Consistency of the Export Project (with a weigh of 60% of the grade). Once a grade is obtained the Project is classified within the total projects matrix.

Criteria	Possible Points	Final Points
1. Capacity to Export	40%	X
2. Consistency of the Export Project	60%	Y
TOTAL	100%	Z

3. Evaluation of Capacity to Export

To determine the capacity or advantages possessed by the proponents, a meeting must be convened with the owners or directors of the business to discuss the pertinent aspects that reveal the current conditions of the business to face an export process ("Current Aptitude of the Business"), and at the same time evaluate the knowledge that the owners and directors of the business have in relation to the markets that they are targeting to enter or to consolidate their presence through an export project .("Knowledge of the Foreign Market").

The information provided by the applicants will be tabulated in the "Capacity and Knowledge" section of the evaluation guideline.

Finally FOEX's Financial Administrative Manager will execute an analysis on the financial background of the business based on the documentation presented by them, to determine the availability of working capital for the entrepreneur to confront the costs of the project presented.

The sum of these three criteria will produce a weighed score on the Initial Export Aptitude in the following way:

Capacity to Export =	[Initial Export Aptitude x 40%] + [Knowledge of the External Export Market x 40%] + [Financial Capacity x 20%]
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Following the sub-criteria is detailed pointing out for each one the applicable weigh to the response obtained.

Every applying business to FOEX will undergo the same evaluation guideline. Every sub-criteria has a weigh based on the relevant that it has in the export process according to international experience.

3.1 Initial Export Aptitude

Sub-criteria for Initial Export Aptitude	Weight
Organizational Structure	4%
Export Experience	8%
Sales Distribution (Local & Exports	6%
Clients/Markets	8%
Resources to Export	6%
Innovation	4%
Certification of Quality Systems	2%
Associativity	2%
Total	40%

Sub-criteria Knowledge of External Market	Weight
Background External Market N° 1,2,3	16%
Exports to Market N° 1,2,3	24%
Total	40%

If there is more than one market the evaluation and weights applied to the markets will be the sum of all the results for the market and a simple average will be obtained.

Sub-criteria Financial Capacity	Weight
Total	20%

a. Initial Export Aptitude

i. Organizational Structure

Within organizational structure the important aspect is to define if the business possesses the human resources and the adequate organizational level to face the export process. The option that defines each position and who acts on that position must be marked with an X.

	Mark with an X the position by responsible party				
AREA	OWNER / PARTNER	MANAGER	HEAD / SUPERVISOR	EXTERNAL	DOESN'T HAVE
DIRECTION	20	20	0	0	0
PRODUCTION	5	10	10	0	0
LOCAL COMMERCE	10	20	15	15	0
EXTERIOR COMMERCE	20	40	20	20	0
FINANCE AND/OR ACCOUNTING	5	10	10	10	0
TOTAL	60	100	55	45	0

ii. Export Weight

In relation to the market distribution the principal variable to use is the value of the businesses sales.

- a) **Export Experience:** The option that indicates the total export sales for the last two years must be chosen utilizing the intervals available.
- b) **Sales Distribution:** determines the weigh that export sales have in terms of local sales of the business (the value is obtained dividing export sales between total sales of the business).

Export Experience	None	Up to \$50.000	from \$50.001 to \$200.000	More than \$200.001
EXPORTS FOR THE LAST TWO YEARS	0	30	60	100
TOTAL	0	30	60	100

Sales Distribution	> 50%	25 – 49%	10 – 24%	0 – 9%
Weight of Export Sales in comparison to Total Sales	100	70	40	20
TOTAL	100	70	40	20

iii. Number of Clients per Market

Indicates the number of clients in the markets already being attended (diversification). Check the corresponding option; if does not export the option is 0.

Nº CLIENTS PER /MARKET	0	1	2	3 or More
EUROPE, ASIA AND OCEANIA	0	10	15	20
USA y CANADA	0	10	15	20
CENTRAL AMERICA AND CARIBBEAN	0	5	10	15
MEXICO	0	5	10	15
SALVADOREANS LIVING ABROAD	0	5	10	15
SOUTH AMERICA	0	5	10	15
TOTAL	0	40	70	100

iv. Resources to Export

Measures the resources that the business has to develop its project and implement a business strategy. The corresponding option is checked regarding the entrepreneur having the availability of the resources indicated.

Resources to Export	Yes	No
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CATALOGS	15	0
TECHNICAL SPECIFICATIONS OF PRODUCTOS	10	0
PRICE LIST IN US\$	15	0
SAMPLES (OF PRODUCTS)	5	0
ENGLISH LANGUAGE	5	0
MARKET STUDY	10	0
BUSINESS / PRODUCTS CERTIFIED	10	0
EXPORT PLAN	15	0
TRAINED HUMAN RESOURCES IN INTERNATIONAL TRADE	15	0
TOTAL	100	0

v. Quality and Innovation

- a) **Innovation:** Measures the capacity of response that the business has to confront the demands of new products by the export markets taking into account the date of its production technology (machinery, processes, etc.).

Innovation	<5 years	5 to 15	> 15
AGE OF PRODUCTION MACHINERY	40	15	5
AGE OF PRODUCTS	60	20	10
TOTAL	100	35	15

- b) **Certification for Quality Systems:** Establishes if the business is ready to face the external market from the point of view of quality certifications of the business, its processes, and its products.

QUALITY SYSTEMS CERTIFICATION	YES	NO	IN PROCESS
CERTIFICATION OF THE BUSINESS	40	0	25
CERTIFICATION OF THE EXPORT PRODUCTS	60	0	25
TOTAL	100	0	50

vi. Associativity

Given the programs orientation, a stimulus will be given to those export projects presented by a group of businesses that look for synergy through the experience of its members. The associative group to which they belong must be identified.

ASOCIATIVITY	YES	NO
PARTICIPATES IN AN ASSOCIATIVE GROUP	100	0
TOTAL	100	0

b. Knowledge of the Foreign Market

This criteria measures the degree of knowledge that the entrepreneur has of the market towards which the project is being focused, his business strategy and if he already has executed sales to this market. The option that corresponds to the entrepreneur having the information requested available is marked.

If the business projects to enter to two or more markets in parallel form, the required amount of tables will need to be filled..

REQUIREMENTS OF MARKET N°	YES	NO
KNOWS THE PRICES IN THE TARGET MARKET	15	0
HAS COMMERCIAL CONTACTS IN THE TARGET MARKET	20	0
KNOWS COMMERCIALIZATION CHANNELS	10	0
KNOWS TAXES, IMPORT TARIFFS AND OTHER REQUIREMENTS IN THE TARGET MARKET	10	0
KNOWS COMMERCIAL AGREEMENTS WITH DESTINIES	5	0
HAS COSTS FOR TRANSPORTATION	5	0
KNOWS LOCAL COMPETITION IN THE TARGET MARKET	10	0
KNOWS EXTERNAL COMPETITION IN THE TARGET MARKET	5	0
ADAPTATION OF PRODUCTS TO THE MARKET (BRANDS, PATENTS, REGISTRIES)	15	0
ALLIANCES IN THE TARGET MARKET	5	0
TOTAL	100	0

YES = When provides sufficient and verifiable information; NO = Does not know; PARTIAL = Has non-verifiable notions.

EXPORTS	NONE	< 20.000	20,001 - 50,000	50,001 - 150,000	>150,000
SALES TO SELECTED MARKET (LAST YEAR)	0	30	50	70	100
TOTAL	0	30	50	70	100

c. Financial Capacity

First, the business capacity to manage its finances in the last few years will be analyzed. This will be measured in two areas that will have the same specific weight.

i. Activity Coefficients (10%)

This allow to identify if the businesses operations are according to the industry it operates in and allow to quantify the risk from its operations.

Activity Coefficients	Formula		Year -3	0.4	Year -2	0.8	Year -1	1.3	Comp.
Days of Accounts Receivable	$365/(\text{Sales}/\text{A.R.})$								
Days of Stock	$365/(\text{Sales Cost.}/\text{Inv})$								
Days of Accounts Payable	$365/(\text{Sales Cost.}/\text{A.P.})$								
Total de Activos/Ventas Netas	Total Assets/Sales								

The ratios above indicate the receivables and suppliers payment period, the inventory turnover and the adequate use of assets that the business has. The most recent data to the date of the projects presentation and/or evaluation has a higher specific weight.

The score for the activity ratios will be assigned according to the following form:

On one hand, there is a maximum score per item that is detailed in the upper section of the period to evaluate and on the other, there is a percentage of that score that will be computed according to the date of the accounts.

- a) For the first three cases, it is measured in days
 - 100% of the score if they are 30 days or less
 - 70% of the score if they are between 31 and 45 days
 - 30% of the score if they are between 46 and 60 days

- 0% of the score if they are less than 61 days

b) For the last four cases it is considered as follows:

- 100% of the score if the relation is less than 0.5
- 70% of the score if the relation is more than 0.5 and less than 1
- 25% of the score if the relation is more than 1 and less than 1.20
- 0% of the score is more than 1.20

ii. Liquidity Coefficients (10%)

This will allow us to determine if the business is solvent to face its liabilities in the short term. Three coefficients have been determined: working capital, acid ratio and current ratio.

Liquidity Ratios	Formula		Year -3	0.5	Year -2	0.8	Year -1	2	Comp.
Working Capital Ratio									
Acid Ratio									
Current Ratio									

As the activity ratios these have a specific value which will be computed according to the following parameters:

- 100% of the total possible score if in the acid and working capital ratios, the computed value is three times higher than the total amount of the project, for the current ratio the financial ratio is higher than 2.
- 70% of the total possible score if the working capital and acid ratio are three times lower to the value of the project, but higher than 1.5 times. For the case of the current ratio it must be less than 2 but more than 1.5.
- 30% of the total possible score, if it is between 1.5 and 1 time, and for the case of the current ratio it must be more than 1 and less than 1.5.
- 0% all ranges inferior to the computed in the preceding element.

Additionally, for information purposes a comparative table will be elaborated, confronting working capital against the programs total cost.

The aforementioned table will indicate the capacity of the business to generate working capital in the short term in comparison to the total cost of the project. This element does not have a weight, nevertheless it

constitutes a parameter for evaluation that is related with the two preceding tables and will allow the corroboration of financial relations.

3.2. Evaluation of the Project's Consistency

To determine the consistency of the Export Project the information from the "Initial Aptitude to Export" and the "Knowledge of the Export Market" will be confronted with the activities that make up the presented project.

The information presented in the section "Initial Aptitude to Export" of the evaluation guideline is reflected automatically in the "Consistency" sheet of the guideline, indicating strengths and weaknesses, according to the existence or inexistence of the resources to export, knowledge or lack of knowledge over the market that the project is aiming.

The project presented by the applying business must transform weaknesses into strengths, obtaining through the proposed activities in the project the resources and knowledge it currently lacks.

The presence of strengths (S) equal to 2 and weaknesses (W) equal to -1

The strengths are added to the weaknesses to determine a weighed final score based on the total possible activities (26) and the maximum score (52)

This score has a weight of 60% in the final grade of the Project.

The following activities will be weighed:

- **INITIAL EXPORT APITUDE**
 - ❑ N° OF CLIENTS/ MARKETS
 - ❑ RESOURCES TO EXPORT
 - ❑ CATALOGUES
 - ❑ TECHNICAL SPECIFICATION OF PRODUCTOS
 - ❑ PRICE LIST IN US\$
 - ❑ SAMPLES (SAMPLE CATALOGUE)
 - ❑ ENGLISH LANGUAGE
 - ❑ MARKET STUDY
 - ❑ BUSINESS / PRODUCT CERTIFIED
 - ❑ EXPORT PLAN
 - ❑ HUMAN RESOURCES TRAINED IN INTERNATIONAL COMMERCE

- ❑ INNOVATION
- ❑ DEVELOPMENT OF NEW PRODUCTS
- ❑ CERTIFICATION OF QUALITY SYSTEMS
- ❑ CERTIFICATION OF THE BUSINESS
- ❑ CERTIFICATION OF EXPORT PRODUCTS
- ❑ ASSOCIATIVITY
- ❑ PARTICIPATION IN AN ASSOCIATIVE GROUP

- **KNOWLEDGE OF FOREGIN MARKET**
 - ❑ MARKET REQUIREMENTS
 - ❑ KNOWLEDGE OF PRICES IN TARGET MARKET
 - ❑ COMMERCIAL COMMENTS ON TARGET MARKET
 - ❑ KNOWLEDGE OF COMERCIALIZATION CHANNELS
 - ❑ KNOWS TAXES, IMPORT TARIFFS AND OTHER REQUIRMENTS IN THE TARGET MARKET
 - ❑ KNOWS COMMERCIAL TREATIES WITH TARGET MARKETS
 - ❑ HAS TRANSPORTATION COSTS
 - ❑ KNOWLEDGE OF LOCAL COMPETITION IN TARGET MARKET
 - ❑ KNOWLEDGE OF FOREGIN COMPETITION IN TARGET MARKET
 - ❑ ADAPTATION OF PRODUCTS TO MARKET (brands, patents, registers, etc.)
 - ❑ ALIANCES IN THE TARGET MARKETS

- **EXPORTS**
 - ❑ INCREASE OF SALES TO THE MARKET

ANNEX N° 5

**Co-Financing Agreement for
Export Project**

**EXPORT PROMOTION FUND
EXPRO-FOEX**

EL SALVADOR

December 18, 2003

CO-FINANCING AGREEMENT FOR EXPORT PROJECTS

The Government of the Republic of El Salvador, from now on the Government, represented by the Engineer Miguel Ernesto Lacayo Argüello, of forty two years old, Industrial Engineer, residing in Antiguo Cuscatlán, with Unique Document of Identity number zero two one two seven four two four zero, in name and representation of the Ministry of Economy from now on denominated "MINEC"; and _____, of _____ years old, _____, residing in _____, holder of the Unique Document of Identity number _____, acting in their quality of Legal Representative of _____, and from now on denominated the "Beneficiary", agree the present Agreement, in order to regulate the rights and obligations of the Government through the MINEC and of the Beneficiary, derived of the beneficiary's participation in the programs of the State to develop the Project _____, with co-financing of USAID through the project EXPRO, in the framework of the Export Development Fund from now on denominated "FOEX" or "Fund", which will be governed in the following way:

I. Background

The Export Development Fund (FOEX or Fund) is product of an initiative of the Government of El Salvador through the Ministry of Economy, to foment the development of the exports including the adoption and incorporation of technological improvements for the support of the export process in the Small and Medium Enterprise (SME), through the non reimbursable co-financing up to 50% of the cost of each eligible activity inside an Exporter Project, according to the following detail:

- If it is about an Exporter Plan of individual enterprise, the total amount of the co-financing will be up to \$24,999; whether includes technological adoption or not.
- If the Exporter Plan corresponds to an Associative Project, with a minimum participation of four companies, the co-financing would be up to \$24,999 for each company; whether includes technological adoption or not.
- The maximum contribution of co-financing of the Fund for the elaboration of Export Projects and/or Technological Adoption will be of \$400, so much for Individual Projects as per Associative, in which the physical facilities (administrative and/or production) of the enterprises are located in San Salvador and its municipalities. The maximum contribution will be of \$500, for companies whose physical facilities (administrative and/or production) are located outside of the mentioned areas.

II. Technical description of the Project

The Project _____ is presented by the enterprise _____ that will invest the total amount of _ dollars of the United States of America, as counterpart for the co-financing, to be able to opt to a non-reimbursable co-financing of the Fund for an amount of _ dollars of the United States of America. The Project consists on the following: _____ . The Form of Project, of _____ pages, duly initialized by the parts, is annexed to the present Agreement in Annex N° 1 and is an integral part of this document.

III. Approval Process

The present Project received a first evaluation at technical level by FOEX analysts receiving a score of _____, according to the Rule of Evaluation established in the Operations Manual of the Fund. Later on, the Project was analyzed and approved by the Appraiser Committee in its session number _____ date _____, as it consists in the Records CE-_____ of the same date. Finally, the Council of Directors in their session number _____ date _____, ratified the decision of the Appraiser Committee, as it consists in the Records CD-_____ of the same date, which also authorizes the Fund Director to pay the resources of co-financing of the Project, previous execution of the established requirements of the present Agreement.

IV. Beneficiary Obligations

- A. Sign sworn knowledge declaration and observance of the FOEX Behavior Code.
- B. Give all the information related to the Project when the Fund requests it.
- C. Participate in the analysis and evaluation meetings of the Project that are summoned by FOEX.
- D. Present the information required for the Indicators System of the Program required by EXPRO in the following dates, if they apply: January 5, April 5, July 5, October 5, 2004; and January 5, and April 5, 2005.
- E. Assure that in all advertising or promotion activity that is carried out by virtue of the Project, it is publish expressly that this is executed with FOEX co-financing and, equally, assure that in the location or office of the Project, be placed in some visible place to the public, a sign prepared according to FOEX stipulations that makes reference to the Project and that is co-financed by the Fund.
- F. In case that the Beneficiary possesses or develop in the future a web page, it will include information related to the received co-financing of FOEX and incorporate a connection with the web page of the Fund. For these effects, the Fund will give to the company the reference material.

- G. Authorize the Fund to publish the results of the Exporter Project and offer all the collaboration required to facilitate this activity. In case the Beneficiary publishes the results by his own means, he will obtain the previous approval of FOEX.
- H. Grant the necessary facilities so the Fund can carry out, once finished the Project and for the three year-old term, an evaluation of the impact of the Project and the pursuit of the reached achievements.
- I. It will be the entrepreneur's responsibility that the whole documentation and information presented are true, exact and complete otherwise he will be exposed to the corresponding administrative and penal sanction. The Fund reserves the right of verifying any information given by the company when it considers opportune.
- J. In any case the entrepreneur will be beneficiary of another government fund of support to co-finance the activities approved and co-financed by FOEX.
- K. Not to contract consultancies of any employee, official, or member of the Fund, neither to hire in the minimum term of six months after having ceased in their functions.

V. FOEX Obligations

- A. Keep absolute confidentiality of the documents and information (verbal or written) that the Beneficiary has provided, whenever this is not of public character.
- B. Look after the correct administration of the resources provided by FOEX to Beneficiaries Enterprises.
- C. Process the resources corresponding to co-financings according to the terms settled down in the Operations Manual of the Fund.
- D. Verify that the results of the Project are adjusted to the objectives outlined in the Form of the Project.
- E. Carry out follow up and monitoring tasks of the activities of the Projects in execution.
- F. Maintain upgraded the Portfolio of Project with all the pertinent information of the same one, with the purpose of facilitating supervision, evaluation and audit activities.
- G. Assure that in all advertising or promotion activity that is carried out by virtue of the Project, it is publish expressly that this is executed with FOEX co-financing and, equally, assure that in the location or office of the Project, be placed in some visible place to the public, a sign prepared according to FOEX stipulations that makes reference to the Project and that is co-financed by the Fund.
- H. No employee, official, or member of the Fund will carry out acts and/or contracts with, request employment in, or receive remuneration for consultancies from the postulant enterprises or the

Beneficiary Enterprises while he/she exercises his functions or up to six months after having ceased.

VI. Chronogram of Activities

- A. The Date of Beginning of the Exporter Project reason of the present Agreement will be _____, and the Date of Termination will be the _____.

VII. Development, Follow up and Evaluation on the part of FOEX and EXPRO

- A. The Fund will follow up each Project, by means of visits or inquiries of any type, verifying the development of the activities, the achievement of the objectives, and the its advance.
- B. The Fund will prepare Reports of Follow up, which will be to the disposition of the members of the Council of Directors, EXPRO and other entities authorized to revise the documentation of the Fund.
- C. When concluding the Project, the acting of the enterprise will be evaluated in the execution of the established objectives. FOEX, together with the enterprise, will evaluate the results reached by this and will present them to the Council of Directors in a Closing Report of Project. The following process will be developed and the following topics will be included:
1. Evaluation meeting and operative closing of the Project (an operative closing Report of the project is generated.)
 2. Summary of the lessons learned during the execution of the Project.
 3. Recommendations for the enterprise.
 4. Evaluation meeting and financial administrative closing of the Project (a financial administrative closing Report of the Project is generated).
 5. Close and file of the whole documentation in the Portfolio of Project.

VIII. Premature Termination

- A. In the case that the Project has not begun in the term foreseen in the Chronogram of Activities, the Beneficiary will present an explanatory letter to the Fund Director who will evaluate the situation and will present the case to the Council of Directors, which will be able to sanction the reassignment from the resources to a new Project.
- B. The non-fulfillment of activities programmed at one reasonable time without a proper justification, in exclusive opinion of the Fund, will be cause of premature termination of the Project being suspended the reimbursements immediately.
- C. In the case that the Beneficiary wants to premature terminate the Project, without its entire execution, he will present an explanatory letter to the Fund Director accompanied by a report of

the activities executed with his corresponding financial report. The Fund Director will present the case to the Council of Directors who will definitively sanction the premature termination of the Project.

IX. Loss of FOEX Contribution

The Beneficiary commits to execute the activities programmed in the Monthly Budget of Operation in the specified periods. For those activities that the beneficiary determines will suffer delays regarding the month of finalization of the execution specified in the Budget, the beneficiary would request to the Fund Director the rescheduling of these. In this request should be justified the causes of the delays and it will be presented no later than the last working day of the month that was originally programmed to finish the execution of the activity, otherwise will lose FOEX contributions dedicated for those activities. The Director by means of an official note and according to the effective normative will authorize or refuse the request.

A maximum of two (2) reschedules per activity will be authorized. The loss of FOEX contributions won't be subject to any revision and it will be applied automatically.

X. Solution of Controversies

In the event of controversies in the execution, administration, follow up, monitoring, expenses or all relative operative aspect to the execution of the Project, these will be presented to the Fund Director, who will present them to the Council of Directors, who will analyze and settle the problem. The involved parts will undergo the final decision of the Council.

XI. Projects Property

The property of the Projects co-finance by the Fund will belong to the Beneficiary that has participated in its execution and co-financing.

XII. Residence and Competencies

For all the legal effects of this instrument, the parts set as residence this city and they undergo the jurisdiction of the Ordinary Tribunals of Justice of the city of San Salvador.

XIII. Modifications

The present Agreement will be modified on common agreement among the parts by means of a simple crossing of letters. Nevertheless the Fund Director will be able to modify the Agreement in those operative aspects that the effective FOEX Operations Manual authorizes him to authorize. The present Agreement is subscribed in four copies, which are considered original.

XIV. Delegation of signatures of the Beneficiary's Legal Representative

The Legal Representative will be able to authorize other executives of his company to sign on behalf of this, the following applications: rescheduling of activities and budgetary reformulations. The above-mentioned will be made by means of authenticated note directed to the Fund Director. When the Fund Director accepts the referred note, it will pass to be inherent part of this Agreement.

XV. Validity

The present Agreement will enter in validity starting from the date of its signature and will expire on _____ of the year two thousand _____.

In the above-mentioned faith, we sign the present Agreement, in the city of San Salvador on the _____ days of the month of _____ of the year two thousand _____.

Mr. Miguel Ernesto Lacayo
Ministry of Economy

Entrepreneur
Legal Representative

Annex 6

EXPRO
EL SALVADOR

Export Promotion for Micro,
Small and Medium Enterprises

Programa de Promoción de Exportaciones
para la Micro, Pequeña y Medianas Empresas

N
NATHAN
ASSOCIATES INC



Policies and Procedures

For

Fast Track

(December 18, 2003)

USAID - PCE-I-833-98-000-16-00

I. Purpose

The project Fast Track is a program of assistance for a limited group of qualified enterprises. The program looks to facilitate the participation in a fair or international commercial mission. The costs of participation in these activities will be shared 50% by the funds EXPRO-FOEX or EXPRO-CENTROMYPE and 50% by the beneficiary enterprise according to the procedures and restrictions defined next.

To finance this program it will be used until 25% of the total amount assigned for exports promotion funds of CENTROMYPE and FOEX. A maximum of \$175,000 of FOEX Fund and a maximum of \$175,000 of CENTROMYPE fund will be used.

The enterprises that qualify will be able to participate more than once in the Fast Track mechanism. Additionally the enterprises that benefit from the Fast Track mechanism will be able to participate under the normal or regular mechanism of these funds, if they comply the requirements of eligibility and qualification approaches for the same ones. The participation in the normal mechanism of the funds will be once per enterprise.

II. Responsible Organizations of Implementing the program

FOEX or CENTROMYPE and EXPRO will be responsible for implementing the program. The three institutions will collaborate with the evaluation and approval of the enterprises, and in providing information of the project to the enterprises that the project work with or maintain contact.

Additionally CENTROMYPE or FOEX and EXPRO will be responsible for giving pursuit to the enterprises in their effort to sum up business as a result of the commercial mission in which they participate. During the life of the project, CENTROMYPE and FOEX will also support EXPRO in the gathering of data of these enterprises in quarterly basis for the USAID indicators system.

The application forms will have CENTROMYPE or FOEX and EXPRO and USAID logos.

III. Assistance to be Provided

Activities

The financial support that will be provided through this program can cover the following:

- Transportation costs;
- Per diem and lodging in the country and city of the event (in accordance with USAID guidelines for reimbursement to the date of the event);
- Participation expenses or visits to the fairs;
- Payments for the space or rent of the “stand”;
- Construction and decoration costs of the “stand”;

- Consultancies contract to support the preparation of the Salvadoran participation in the fair or commercial mission; and
- Cost of sending samples of the product.

Won't be supported:

Activities that represents a direct or indirect support to the manufacturing of tobacco, alcoholic drinks, illegal drugs or weapons will not be supported.

Additionally it is important to notice that all activity to be financed and the financing mechanism will be in accordance with USAID policies and procedures.

Maximum Amount of Support on the part of the Program

A maximum of \$3,000 will be financed by participant enterprise. The participant enterprises will contribute an amount similar to the one that contributed the funds to comply with the outline cost sharing of 50% EXPRO-FOEX or EXPRO-CENTROMYPE and 50% the beneficiary enterprise.

Type of Support

Funds contribution will be through:

- The reimbursement mechanism for the enterprises; or
- Direct purchase by EXPRO of the services to be used by the enterprises; or
- A combination of both mechanisms.

The use of one or another mechanism or a combination of both for each particular mission remains at the discretion of EXPRO. When making public the opportunity and the details of the missions to be supported with this mechanism, the mechanism of contribution of EXPRO that applies for the mission will be presented.

For the reimbursement mechanism, the participants will present participation or use of the service evidence and copies of the receipts of payment of the same ones. The services or participations to be reimbursed will be acceptable, permissible and assignable in accordance with the policies of this mechanism. Additionally for the reimbursement mechanism EXPRO won't reimburse amounts for payment of IVA. The payment of IVA is responsibility and a component of the entrepreneur's contribution.

The services to be bought directly by EXPRO in benefit of the enterprises will be acceptable and permissible for the program. Because each mission will be different and will have its particularities, the expenses to be assumed directly by EXPRO and by the entrepreneur will be specifically determined for each mission. When making public the missions that occupy the mechanism of direct purchase for EXPRO, the details from the expenses to be assumed by the entrepreneur and for EXPRO will be given.

Before each mission an informative meeting will be carried out with the participant enterprises to clarify in detail everything related to reimbursements and/or costs of each particular mission. Additionally the execution agreement between the enterprise and

EXPRO will define the expenses that are clearly permissible, acceptable and assignable and the documents to be presented for reimbursements or proves of managerial contribution.

IV. Eligibility, Application and Evaluation

Eligibility

An enterprise qualifies if it complies with the following:

- Less than 100 employees for FOEX and less than 50 for CENTROMYPE;
- Annual sales among \$70,000 and \$3,000,000 for FOEX and until \$685,704 for CENTROMYPE;
- As preference have its main activity located outside the Municipality of San Salvador;
- 2 or more years of operation as an enterprise;
- Has exported or produces a good and service related with the fair or commercial event in which will participate;
- It possesses financial solvency (The financial reasons: Sales / receivable accounts and Sales / accounts payable should be at least 1)
- Have presented a completed application form,
- Have carried out an interview, and
- Have been visited in their facilities by representatives of the program.

Application

To apply the enterprise will present its application form completed fill out. It will also present copies of the following documents:

- Financial statements of the Last Quarter (Balance and Statement of Results of the last three months.) and;
- Photocopies of the Trade of Registration;

FOEX, CENTROMYPE or EXPRO as it is the case will register each application by date and hour of arrival as they are received and all the applications will be evaluated in chronological order of reception using the approaches defined in this document, until all the available spaces are completed.

The application forms could be send in person, by mail or via Internet. In all the cases the determination on the part of FOEX, CENTROMYPE or EXPRO of the date and hour of reception will be definitive. All the applications will be properly identified for FOEX, CENTROMYPE or EXPRO by their date and hour of reception. It is important to notice that applications will only be received for the fairs or commercial missions that are being announced as open for application at that moment.

Evaluation

Representatives of FOEX, CENTROMYPE or EXPRO will develop the interviews, as it is the case. Their respective Directors or Internal Committees will designate the representatives of CENTROMYPE, FOEX or EXPRO. These institutions will coordinate with the postulant enterprises the date and hour of these interviews.

The postulant enterprise must complete the summary form of “Enterprise Profile” before its attendance to the interview with the representative of EXPRO, FOEX or CENTROMYPE. The representative that made the interviews would complete the form “Summary of Analysis of Enterprise Profile of the Fast Track Mechanism” which includes their opinion. The documentation presented by the enterprise as a part of its application will be attached to this form and will be sent to the Director of FOEX, Internal Committee of CENTROMYPE or Director of EXPRO for ratification.

The Director of FOEX, Internal Committee of CENTROMYPE or Director of EXPRO will determined based on the presented information if the postulant enterprise qualifies, doesn't qualify or needs more information to make its decision. In the case of needing more information a note will be sent to the representative that made the analysis detailing the nature of the additional information to make a decision. When the representative has completed this information he forwards the documents so that the Director of FOEX, Internal Committee of CENTROMYPE or Director of EXPRO can make their decision.

Additionally CENTROMYPE or FOEX will sent to EXPRO copies of the “Summary of Application, Recommendations and Records of Resolution” and the support documentation on the enterprises that have been approved as qualified postulants by these institutions. EXPRO will revise the documentation of the enterprises approved to assure that these comply with the requirements and policies of USAID.

Notification to the Enterprises

EXPRO, FOEX and CENTROMYPE as it is the case will notified in writing to the postulant enterprises the results of their application to receive the benefits of the “Fast Track” mechanism. In case that EXPRO approves activities in independent form with enterprises identified by FOEX, the notification to the enterprise will be sent in combined form FOEX - EXPRO, i.e. signed by both Directors and with logos that identify the two institutions. FOEX will verify the execution of the activity and will request the respective payment to EXPRO.

V. Additional responsibilities of the Participant Enterprises

The participant enterprises will present a brief report indicating the established contacts, summed up business and lessons learned during the event in which they participated. They will also present in quarterly basis a follow up report on these topics in the subsequent year to the participation in the event. Additionally the participant enterprise will present information about its exports and another related information for EXPRO indicators system. The exact date of presentation of these reports and information will be identified and included in the approved document and signed with the participant enterprise.

It is important to notice that the participant enterprise will be responsible for the documents and necessary permits to travel such as passports or Visas to the country of destination. EXPRO is not responsible for any aspect related with these documents under this agreement.

The enterprises will be able to apply more than once if they have fulfilled the requirements of the previous contract satisfactorily.

VI. Promotion

EXPRO will promote this support opportunity initially through the APS mechanism that will be announce to the public during the month of December 2003. The information that the APS contains will be published in some national communication media as well as in USAID and EXPRO¹ web page. This information will contain all the Fairs or Events (with dates and locations) already identified, confirmed and determined as acceptable by EXPRO for the date of presentation of the APS. The information on additional fairs that have been confirmed and accepted will be upgraded periodically in both places of Internet when EXPRO identifies new opportunities that qualify. EXPRO will maintain the authority and responsibility to identify confirm and determine the convenience and acceptability of fairs and commercial missions.

The APS will clearly inform to the managerial community on the characteristics of the “Fast Track” mechanism and how they can apply for its support. The information will detail eligibility approaches and application procedures with the purpose that potential applicants can easy and clearly identify appropriate opportunities. The first opportunity would be announced before the APS presentation and it will be through a local newspaper with national covering.

The announcement of each opportunity will include:

- Name of the fair with date and location,
- The date when the reception of applications began,
- The final date to present an application,
- Location to retire and present applications and the information of contacts in EXPRO,
- Number of enterprises that EXPRO anticipates to attend in that opportunity,
- Type of support of EXPRO (Reimbursement, Direct Purchase or Combination),
- In the case of direct purchase the costs that EXPRO will assume and the costs that the enterprise will assume.

VII. High Priority Markets and Industries

The specific examples provided next illustrate on the industries and markets that would be support with funds of the project. These industries and markets are of primary interest and the projects that include these elements will have major preference than those that don't include them.

¹ When developed

Agriculture and foods:

Fruits and fresh and processed vegetables;
Juices and prepared tropical fruits;
Prepared foods “typical” or “special”;
Ecological foods / social;
Certified seeds; plants;

Manufactures / handicrafts / arts:

Gifts and domestic ornamental articles with original designs;
Handcrafts;
Furniture / wooden articles;
Paintings / original sculptures; reproductions of works of art; printing; popular music

Services:

Tourism (conventions, cultural, adventures, eco/agro, destination Central America);
IT, software, call-centers;
Commercialization of products and services;
Storage and distribution; logistics;
Main offices parks for the region;
Training and professional formation;
Medical and dental services; several professionals;
Micro credit, capitalization of remittances;

Regional markets:

Central America, Mexico and South America;
United States and Canada;
The Caribbean;
Europe;
Asia

Name of the Fair or Commercial Mission: _____

Arrival: Date _____ Time _____ Correlative number _____

ENTERPRISE PROFILE FOR “FAST TRACK” MECHANISM EXPORT PROMOTION PROGRAM AID-EXPRO

I. GENERAL INFORMATION OF THE ENTERPRISE

1. General Data		
Name of the Enterprise		No. N.I.T:
Social Reason:		N.R.C.
		No. DUI
Legal Representative:		No. DUI
Address:		
Phone Number:	Fax:	E-mail:
Years of existence of the enterprise:		
Physical location of the factory:		
2. Exportation Plan		
Please attach the executive summary of exportation plan to promote the sales of this product / service related to the fair market, including the following areas: (maximum 2 pages)		
<ul style="list-style-type: none"> Brief description of the product to be exported; Market destination (Country and profile of final customer); Visualized channel of distribution; Competitive advantages of the product in the selected market against its competitors; Other strategies of product penetration. 		
3. Classification		
Sector / Sub-Sector: (according the guidelines attached)		
Number of permanent production employees	Number of permanent administrative employees	Total
4. Capacity		
Have you exported before, what country?		
Are you exporting, to what country?		
Briefly describe the installations of your enterprise including machinery and equipment.		

Please attach description of installations and / or productive area of the enterprise including the following areas: (2 pages maximum).

- Maximum capacity of production in current conditions and capacity utilized;
- Mention some quality system establish or to be established;
- Describe in general form main equipment / machinery and its time of acquisition and manufacturing;

5. Estimated budget

Item	Estimated amount
1)	
2)	
3)	
4)	
5)	

San Salvador, _____ 200_____

Name and Signature of Enterprise Legal Representative

Enterprise seal

=====

FOR EXCLUSIVE USE OF EXPRO, FOEX or CENTROMYPE	
Date of Receipt	Code:
Receptionist Name:	Signature:

SUMMARY ANALYSIS OF ENTERPRISE PROFILE “FAST TRACK” MECHANISM

EXPORT PROMOTION PROGRAM AID-EXPRO

1) Number of Employees		
Number of Employees	Qualifies _____	Not Qualifies _____

2) Years of Operation		
Years of Operation	Qualifies _____	Not Qualifies _____

3) Financial Analysis		
Sales / Receivable Accounts _____	Qualifies _____	Not Qualifies _____
Sales / Payable Accounts _____	Qualifies _____	Not Qualifies _____

4) Experience and Capacity in Exportation		
Have you exported before (Brief Description):		
Do you produce a good or service related with the fair to be attended (Brief Description):		
Recommendations of the Evaluator	Qualifies _____	Not Qualifies
And Brief Description of Recommendations:		

Name of Evaluator:	Signature:
Date:	

Approved _____	Not Approved _____	Needs more information _____
Detail of additional information:		
EXPRO Director, FOEX or Internal Committee of CENTROMYPE	Signature:	
Date		

INITIAL REQUIRED INFORMATION FOR INDICATOR SYSTEM

I. ENTERPRISE DATA		
1. GENERAL DATA		
Name of the Enterprise:		
Address of Main Offices (including Department and Municipality):		
Factory or Production Center Address (including Department and Municipality):		
Phone Numbers:	Fax:	E-mail:
Main Contacts		Position Executed:
1.		
2.		
3.		
2. ECONOMIC ACTIVITY OF THE ENTERPRISE		
Economical Sector and Sub-Sector of the Enterprise (According to the attached guidelines):		
Number of full time employees	Woman:	Man:
Date of the last financial statements available		
Amount of Total and Fixed Assets, according to the last Balance available:		
Total Assets: \$		Fixed Assets: \$
Balance of debt for credits at the closure of the last month: \$		
Balance of Financial Regulated Institutions by the SFS: \$		
Balance of Financial Non-Regulated Institutions: \$		
3. INFORMATION ON EXPORTATIONS		
Information on Product(s) of interest in increasing or generating new exportations:		
Product	Country and (if it is indirect exportation please indicate the name of the enterprise to which it will be sell, if the country is Mexico please include the region and if it is the USA please include the state)	Market (Salvadoreans living in foreing countries, other ethnic groups, others)
1)		
2)		
3)		
Do you have and exporting experience?: YES NO		

ANNEX N° 7

POSTULATION LETTER

**EXPORT PROMOTION FUND
EXPRO-FOEX**

EL SALVADOR

Annex 7

San Salvador, ____ of _____ of 200____.

Lic. Vladimir Velásquez
Director of FOEX
Ministry of Economy
Present.

FOEX Director:

Attached to this letter you will find our Export Project “[Title]” duly presented in the corresponding Project Form, in which we request a non-reimbursable contribution from FOEX for \$_____ for which we commit to invest our part of \$_____ ; the two amounts could be modified during the evaluation and approval process by the fund. By way of this letter I express the formal commitment to subscribe a Co-financing Agreement between [name of the business] and the Ministry of Economy, in case our project is approved by the Board of Directors of the Fund.

Name
Legal Representative
Name of the Business

ANNEX N° 8

EXPRO CODE SYSTEM

**EXPORT PROMOTION FUND
EXPRO-FOEX**

EL SALVADOR

Annex 8

EXPRO Code System

The EXPRO Code System is made up by 5 numeric groups which identify the participating enterprises in the fund, in the following categories:

- 1) Location Department;
- 2) If considered as operating in definitive areas affected by the earthquakes;
- 3) If using the “Fast Track” mechanism;
- 4) Correlative number according to arrival
- 5) Associated Group

The departments will have the following identification numbers: Ahuachapan 01, Sonsonate 02, Santa Ana 03, La Libertad 04, San Salvador 05, Chalatenango 06, La Paz 07, Cuscatlan 08, San Vicente 09, Cabañas 10, Usulután 11, San Miguel 12, Morazán 13, La Unión 14.

Enterprises located in areas defined as affected by the earthquakes will be identified by the 1 and not by the 0.

Enterprises applying to the Fast Track mechanism will be identified by the 1 and not by the 0.

The following number will be given according to arrival of the enterprises applying to the fund. This number will start with 001.

Enterprises applying to the fund as an associative group will be identified by the 1 if they are part of an associative group and 0 those who are not.

Example: 02-1-0-001-1 (Is the first enterprise applying to the fund, located in Sonsonate, which is an area defined as earthquake affected, does not use fast track, and is member of an associative group).